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ABSTRACT

This book focuses on the role of training managers in increasing the effectiveness of training activities through appropriate measures and providing them with information on the latest developments, theories, and strategies in training management. It is intended for use by heads, directors, administrators, and managers of vocational and human resource development institutes and programs. The book has been prepared in the context of the prevailing and emerging situation in the developing countries of the Asia-Pacific region where skill development needs spread over a wide range from small-scale farming to high-tech occupations. Part 1 introduces the main concepts and current trends within industry that are essential for the effective management of vocational training centers in the 1990s. Part 2 begins to explore how some trends described in part 1 can be applied to the vocational training environment, in particular the management and leadership framework of a vocational training center. Part 3 covers the key functional elements of the vocational training center and extends further the application of current industry trends. Appendixes include the following: a list of 33 references; a list of 146 resources for further reading in the key areas of quality, human resource management, managing change, marketing, budgeting and accountability, vocational curriculum design and delivery, and public speaking; sample mission statements and goals; and organizational charts. (YLB)

ED 379 448

Managing for quality and innovation

VIRGINIA SIMMONS

An introductory manual for managers of vocational training centres

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VIRGINIA SIMMONS

An introductory manual for managers of vocational training centres

NCVER
Adelaide 1994

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Foreword

This book was originally prepared as part of an agreement reached in late 1992 between the Asian and Pacific Skills Development Programme (a regional centre of the International Labour Organisation) and the author for use in the Asian region. In conjunction with the National Centre for Vocational Education Research (NCVER), Australia, this substantially revised version has been adapted for wider use.

The author is currently the Director of Broadmeadows College of Technical and Further Education, a large multi-discipline and multi-campus vocational college in the northwest of Melbourne, Australia. She has held this position since 1986.

The book is intended for use by heads, directors, administrators and managers of vocational and human resource development institutes and programmes.

The contents of the book were prescribed in the original agreement as including:

- guidelines on how to assess recent trends;
- technological and economic changes;
- emerging occupations;
- change of labour market structure;
- techniques in planning, organising, leading, staffing, controlling and evaluating performance.

The agreement also stipulated that the emphasis of the book be on the role of training managers in increasing the effectiveness of training activities through appropriate measures, such as successful staff development and improved organisational performance, and providing them with information on the latest developments, theories and strategies in training management.

In addition, the book was to be prepared in the context of the prevailing and emerging situation in the developing countries of the Asia-Pacific region where skill development needs spread over a wide range from small scale farming to high-tech occupations.

Since the author makes no claim to a comprehensive knowledge of this context, the approach has been taken of concentrating on recognised world trends. Further, the book is structured in such a way as to allow the reader to select appropriate chapters and sections according to circumstances.

The book consists of three major parts:

Part 1 — The context for management — reflecting industry practice

This part introduces the main concepts and current trends within industry which are essential for the effective management of Vocational Training Centres in the 1990s.

Part 2 — Managing the planning and leadership framework

This part begins to explore how some of the trends described in Part 1 can be applied to the vocational training environment, in particular the management and leadership framework of a VTC.

Part 3 — Managing the functional elements

The key functional elements of the VTC are covered in this part, further extending the application of current industry trends.

Given the complexity of managing a Vocational Training Centre, the scope of the book does not allow a detailed analysis of any single area. For this reason, further reading lists for key areas are contained in the appendices.

In light of all of the above, and given the target group for the book, the contents are practically oriented and rely more on tested and proven practices than on theoretical models and constructs. In essence, the emphasis is on practices that have proved successful in the author's experience and which, it is hoped, will be of use to others. Where theoretical material is used, predominantly in Part 1, it is used illustratively, rather than exhaustively, and an attempt has been made to translate the concepts into practice, thus providing a bridge between theory and

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implementation. If the contents do nothing more than act as a catalyst for managers and aspiring managers to review their current thinking and practice or to contemplate new approaches, its purpose has been served.

As the vocational training sector is subject to rapid and continuing change worldwide, the relevance of the book is likely to be limited to a two to three year period.

Virginia Simmons
March 1994

Key terminology and abbreviations

Vocational Training Centre (VTC)
is used consistently as a generic term for the type of institution to which this Manual is directed, that is, to vocational and human resource development institutes and programmes. The abbreviations VTC or Centre are used consistently.

VTC Manager
includes heads, directors, administrators and managers of VTC's as defined above. Chief executive is used to distinguish between managers in charge of a VTC and other managers.

Total Quality Management (TQM)
is used on the basis of its widespread currency as a generic term for all strategic approaches to quality implementation in industry. It is recognised, however, that many other labels are also used.

Teaching Staff
is used as a generic term to cover lecturers, trainers, teachers, tutors, instructors and any personnel involved with the face-to-face teaching of students.

Support Service Staff
is used to cover all staff not directly engaged in the teaching function. It includes for example, all administrative, clerical, computing and technical support staff.

Other terms are explained at appropriate points in the text.

Part 1

The context for management — reflecting industry practice

1.1 Introduction

This book for prospective and practising managers of Vocational Training Centres (VTCs) is presented on the basis that VTCs can be seen to have three broad purposes:

- to meet the individual needs of students
- to respond effectively to the training needs of industry
- to contribute to the overall education and skill base of the nation.

However, what distinguishes VTCs from other education institutions is the special emphasis they place on the second of these purposes and on ensuring that students being trained receive employable, marketable and transferable skills.

Hence, VTCs need to be credible with the industries they serve. To achieve this, it should be clear to the industries concerned that the VTC is operating in a way which will facilitate change and development in industry.

This is not to say that VTCs are simply instruments of industry. But there is an underlying theme throughout this book that the most successful VTCs are those that can attain their broader and specific internal goals *as well as* meet the needs of industry.

VTC operations should therefore mirror as closely as possible current trends in the industrial setting. This is the main theme of Part 1.

Two obvious examples are equipment and teacher competence. Few would deny that if the VTC is utilising outmoded equipment, industry's confidence in the relevance of students' skills will be weakened. The same applies to teachers' skills. If staff have been out of the workforce for too long, the relevance of the skills being imparted to students may be doubtful.

However, it is not only with respect to the relevance of skills that industry practice is instructive. In an age of fierce world competitiveness, it is desirable that the VTC is also managed in such a way that reflects industry management practices and preferably incorporates some of those features which have been widely recognised as characteristic of successful

companies. If this occurs, staff and students alike will be well-positioned to contribute to the success of the VTC and industry overall.

It is axiomatic that the aim of any company is to achieve sustained profitability. That means it must create and build an advantage over its competitors with respect to both its products/services and customers. It must therefore identify and implement approaches which will ensure this occurs.

Chapter 1.2 provides a brief overview of some of the features of current management approaches and provides preliminary comment on the implications for VTC managers.

However, the extent to which these trends can be applied will vary according to the governance arrangements for VTCs. Chapter 1.3 therefore deals with issues which may arise where VTCs are public sector or quasi-public sector agencies. Obviously, where this is the case, it is not possible to simply translate industry trends into the training context — although this can be achieved to some extent. The basis for operations is often so different as to demand other considerations. Accordingly, chapter 1.3 may be of little or no interest to private sector VTCs.

1.2 Main concepts and trends in industry

The interdependence of factors influencing success in industry

Commentators on management theory and practice are agreed that there is no simple key to success in industry, but rather success stems from the interaction of several factors. The approaches needed are all-pervasive and interdependent, reflecting the complexity of organisations themselves.

One of the commonly accepted diagrammatic frameworks illustrating this complexity and interdependence is the 7-S Framework[1] as illustrated in Figure 1.1.

Each 'S-factor' can be described as follows:

Structure

- includes such considerations as the degree of centralisation, the way in which responsibilities have been grouped, the number of layers in the organisational structure, whether the formal structure actually reflects the informal structure and the flexibility/complexity of lines of communication.

Strategy

- means the approach adopted to improve competitive position, including ways to enhance quality and value of products/services or service to customers

Systems

- refers to all the procedures, formal and informal, which determine operations: planning systems, information systems, remuneration systems, budgeting, cost accounting and so on

Superordinate goals

- encompass the overarching values, beliefs, assumptions and aspirations which determine the direction of the organisation

Skills

- comprise the attributes, capabilities and perhaps specialisations of an organisation, and may distinguish it from a competitor

Staff

- covers such issues as staff composition (numbers, gender, ethnicity), staff training programs, career structures, morale and motivation and represents a resource for the company to develop

Style

- pertains to what might be described as the work culture: 'the way we do things around here'. It may affect the ability of the company to adapt to change or its preparedness to innovate.[2]

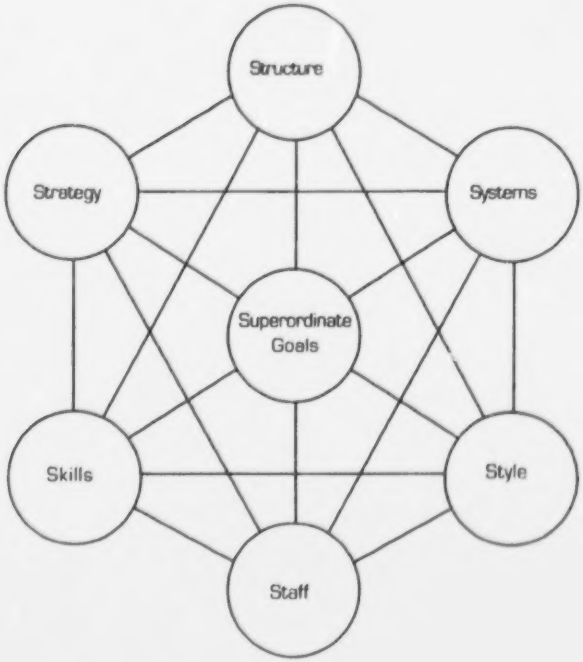
The individual and collective results of how these factors operate in a company are indicative of its success. While not all of the 'S-factors' are immediately visible, they all play an important and interconnected role.

Implications for VTC managers

The 7-S Framework can also be applied to a VTC and since all the 'S-factors' are aspects which can be managed, it represents a convenient and comprehensive conceptual model for managers.

The challenge is to introduce approaches in each of these areas which will be internally consistent and so enhance the success of the VTC, while at the same time demonstrating its convergence with industry practice.

A new view of organisation — The 7-S Framework



Source: Robert H. Waterman, J.R., Thomas J. Peters, and Julien R. Phillips, *'Structure is Not Organisation'*, Business Horizons, June 1980

Figure 1.1

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Further, the 7-S Framework provides a model for considering the implementation of change. In a simplistic example, if a manager attempts to bring about change merely by altering the organisational structure, the change that occurs as a result will at best be superficial. The strategy for change needs to incorporate all aspects of the organisation, if it is to be dynamic and lasting.

Throughout this book matters are addressed which are relevant to the 7-S Framework, including subsequent sections of Part 1, some of which address current themes that are common to success in each of the 'S-factors'.

Commitment to quality

Quality, as used to describe a systematic approach to improving products/services in industry, has been defined in many ways.

Some of the more commonly used definitions include:

- *'conformance to requirements'*[3]
- *'the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs'*[4]
- *'fitness for use'*[5]

Other definitions are more explanatory and there is a wealth of literature available on the area. (refer Appendix 1.1 Further Reading — Quality).

In many companies a label is used to describe the particular approach that has been adopted and the concepts that have been incorporated into that approach. Virtually any combination of the concepts listed in Figure 1.2[6] has already been or can be utilised.

These concepts are combined to convey different nuances in different organisations or to signify a unique approach within a company. But there are commonalities in how the terms are used.

The first part of the combination is used to convey a sense that quality is an ongoing and structured responsibility of everyone in the organisation.

The second part, the word *quality* itself, is used to convey that the requirements of the customer must be actively sought out and met.

The third part connotes that the focus is on the process.

Total Quality Management is by far the most widely used of the labels and serves as a useful generic title for all quality systems. It is used in this way throughout this book.

To extend the notion of quality further, it can be described in terms of some of its essential features, as illustrated in Figure 1.3.

These 8 Cs of quality are explained as follows:

Quality is Conformance

Meeting the customers needs is not the same as providing a top of the range product/service. Take two forms of residence. A brick mansion may be suitable for someone seeking permanence, prestige and security, whereas a tent can conform to the requirements of someone whose quality criteria are portability, lightness and low price.

Quality is Consistent

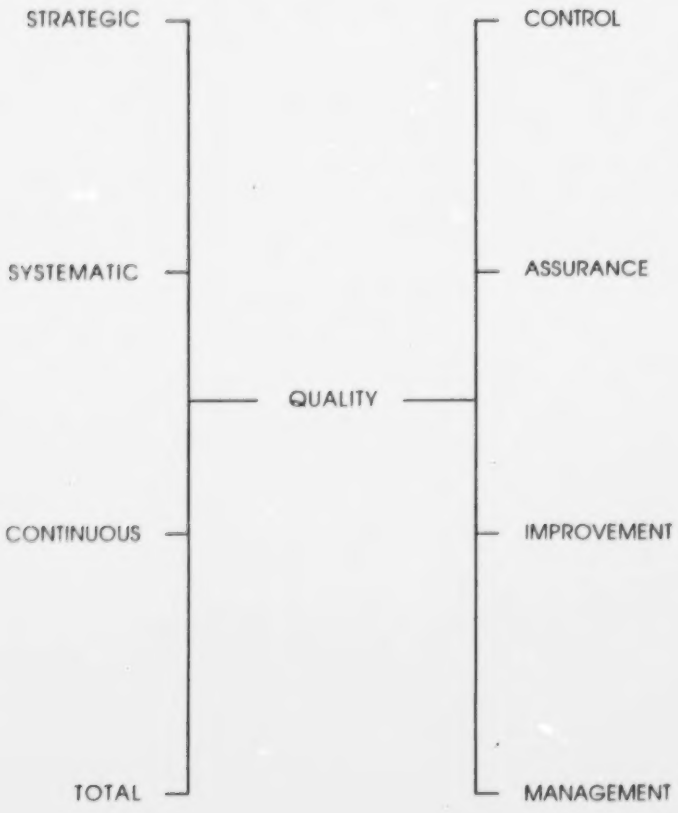
Consistency of the standard of product/service is maintained. There is no place for the 'near enough is good enough' attitude.

Quality is Continuous

The pursuit of quality is evident throughout the whole process of producing products/services. It is not just a matter of rectifying mistakes at the end.

The concept of continuous improvement is also relevant here. The Japanese term 'Kaizen' is used to describe continuous and ongoing improvement by small steps.

Key quality concepts



Source: Sandwell College of Further and Higher Education, *'Quality Systems in Education and Training'*, Conference Program, Nov/Dec 1992.

Figure 1.2

Quality is Core

Quality improvement is directed towards key areas and to where the greatest returns are to be gained. It is not to be confused with just trouble-shooting or tampering with minor issues.

Quality is Controlled

The deliberate measurement of quality is essential. It is not good enough to assume things have improved, to accept anecdotal evidence or operate on guesswork. The literature on quality often refers to the quality measurement tools, which provide useful ways to measure improvement, judge current performance and set new targets.

Quality is Collective

This applies in two different and important senses. Firstly, quality is the responsibility of everyone in the organisation, not just a few select people. Secondly, quality requires a team approach, to ensure that the combined knowledge of everyone associated with a function or task is being harnessed.

Quality is Commitment

Successful implementation of quality requires the active and visible commitment of management. Many accounts of different attempts by organisations to implement quality initiatives reveal that this can be the issue by which success or failure is determined.

As a result of all of the above:

Quality is Cost-effective.

Given the elements described above, improved quality leads to increased productivity and hence to cost-effectiveness and enhanced competitiveness.

In many companies success in the introduction of a Total Quality Management program has taken a number of years to achieve. However,

once in train, the benefits exhibited are usually so substantial as to entrench the program in the company's long term strategy.

A further important element of the emphasis on quality in industry is the trend towards companies being accredited for their adherence to quality standards. These standards are regulated both by individual countries and at international level. Where a company achieves accreditation against specific quality standards, a known level of quality can be guaranteed to customers. This is used as a marketing tool and a means to gain a competitive edge.

The trend is also evident for companies and government to require their suppliers or dealers to be accredited according to national or international standards as a pre-requisite for dealing with them. In this way, they can reinforce their own quality assurance.

There are those, of course, who are cynical about Total Quality Management, regarding it as a 'fad' or a 'movement'. Indeed it is sometimes introduced in a way which involves such a degree of fervour and zeal as to cause people to reject it as an approach.

Others claim that its applicability is confined to the manufacturing industry. They point to the production connotations of much of the language of quality to support this view, overlooking that the language conveys concepts which can be readily generalised.

Despite the critics of Total Quality Management, the fact remains that few companies can afford not to have some form of strategy to ensure a standard for their products/services, even if this is somewhat unstructured. Those which do not, may not have a future, especially given the emphasis on accreditation. Certainly there is extensive evidence that many companies link improvement in their performance to the introduction of Total Quality Management.

Eight Cs of Quality

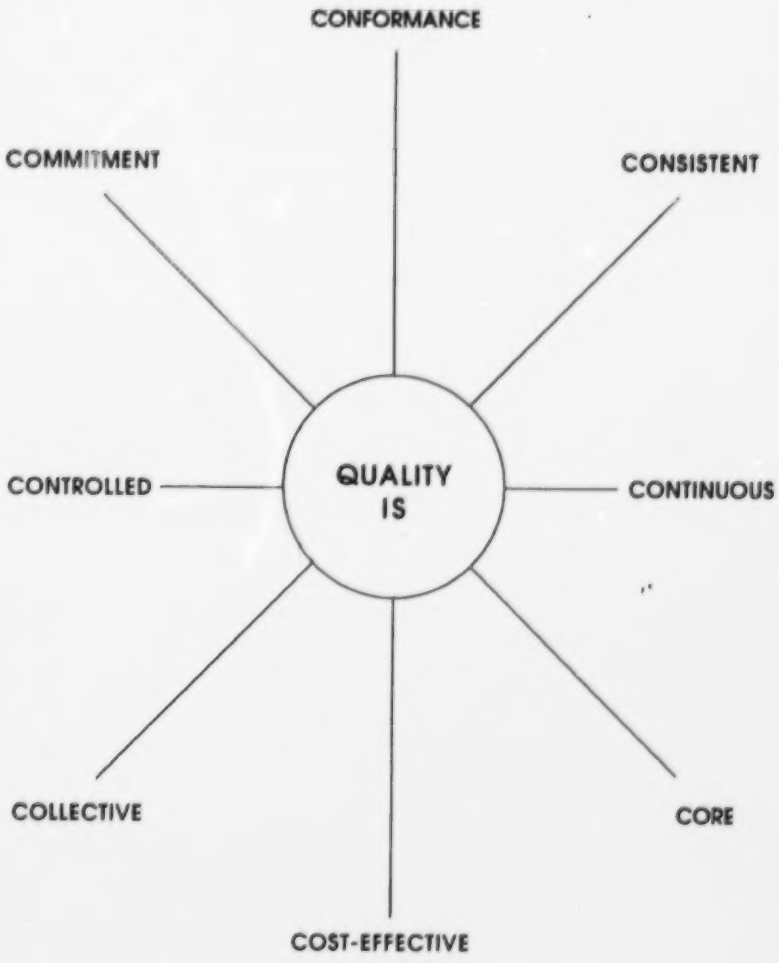


Figure 1.3

Implications for VTC managers

It is essential that VTC managers understand the impact of Total Quality Management, which has been proven to be equally applicable to the service industry and hence to vocational education and training. They therefore need to address its implications for their centres, regardless of their views on its merits. For example, industries/companies committed to quality may wish to obtain their training from a VTC which itself has a track record of quality. They may even seek assistance in providing training in some aspects of quality.

If a company requires quality accreditation from its suppliers, it may likewise demand that the VTC which supplies its training also has accreditation.

Hence, the issue of introducing a quality system in the VTC is one to be considered, because of the possible inherent advantage for the centre of doing so, the capacity it gives the VTC to respond to industry's requirements and the competitive edge it might afford to the VTC over other training providers .

This issue is dealt with in more detail in Parts 2 and 3 of this book.

International Best Practice and Benchmarking

Closely related to and emerging from the issue of measurement in Total Quality Management are the concepts of *international best practice* and *benchmarking*.

How does an organisation know how good it is? What is the appropriate bench-mark to measure itself against? If it measures itself against its nearest competitor, it will only have a comparison between the two. If it measures itself against the best in the country, it will have a more accurate view of its relative performance. Increasingly, though, companies are measuring themselves against the best in the world, not necessarily only in their own field, but perhaps even across all or a number of fields. The best in the world in any field provides the ultimate standard for a company to aspire to and perhaps resolve to surpass. The benchmarks may be a combination

of best practices from across a range of companies. Where competition is global, the aim has increasingly become to identify and be amongst the best world-wide.

This is not only confined to large companies. A small company can equally measure itself against the best in the world and may have to in order to survive.

Implications for VTC managers

As an extension to Total Quality Management principles, there is clear potential for the VTC manager to seek to emulate best practice, both for its own sake and for the prestige it can generate in dealing with students and industry. This requires a conscious effort to ascertain where best practice can be found and actively seeking out information on comparative measures. Although there is a dearth of comparative national and international information on the performance of VTCs and the measures that do exist are comparatively crude, the point still applies.

Accountability and integrity

'Accountability' or liability to be called to account for certain actions or outcomes, is a key concept for contemporary management. It applies particularly, but not exclusively, to financial matters, especially where managers are dealing with funds, the responsibility for which has been vested in them, such as public money, trust funds, and shareholders' investments. Colloquially, accountability is related to 'where the buck stops'.

The late 1980s saw excesses in many parts of the world come under scrutiny as a result of poor accountability. This occurred in business and in government on both a small and large scale.

Partly in response to these excesses but also as a means to ensure long term viability, accountability is now regarded as essential, whether that be to clients, voters or students.

There are broadly two reasons for lack of accountability — incompetence and corruption. Sometimes, but not always, they occur together. Hence accountability is often linked to integrity and ethics.

Poor accountability, whatever its cause, inevitably goes hand in hand with poor standards of other kinds.

Implications for VTC managers

Accountability is ultimately and inescapably the responsibility of the VTC manager. If inadequate standards and lack of accountability are allowed to continue unchecked, this will not go unnoticed by staff, students, industry or the funding agencies. If management is seen in this way to lack a commitment to accountability, then why should staff retain theirs? Why would industry maintain its support? And why would the funding agencies not transfer funding to another organisation which does demonstrate that commitment?

In particular, it could be anticipated that the adept VTC manager would be keen to extend the concept to staff, so that staff develop a heightened sense of accountability towards students and industry for the quality of training programs they deliver. This is more likely to occur if managers themselves set an example.

For reasons such as these, it is essential for VTC managers to strive for high levels of accountability and integrity and thus to set a standard to staff overall.

Sometimes managers will find themselves hampered in their ability to maintain high standards of accountability of staff because of the limitations of subordinate staff. Industry and the private sector generally do not tolerate this and neither should the VTC manager. Measures to address this are dealt with in more detail in Part 3 of this book.

Productivity

Productivity is often expressed as the formula:

$$\text{Productivity} = \frac{\text{output}}{\text{input}}$$

This reflects the fact that the term 'productivity' originated in, and is still associated with, the manufacturing environment.

But productivity is more than just a mathematical/financial measure or formula and is equally applicable to the service industry.

It has been defined as *'the value of output produced by a unit of labour or capital'*.[7]

This definition comes closer to the view held in many successful companies that productivity is also an attitude of mind which is linked to other concepts explored in this part, such as quality, accountability and competitiveness. Improving productivity is part of the process of continuous improvement inherent in Total Quality Management.

A closer examination of the term and how it applies explains why it is more complex than the formula definition implies.

Productivity can be conceived as having three interdependent components:

Cost

This is the component most commonly associated with the term 'productivity'. It relates to the comparison between the cost to produce the goods or services and what they can be sold for.

Value

This component refers to the enhancements that are offered to the basic product or service. In automobile manufacturing, it might mean enhancements to the range of standard features and especially to the comparison of the range of standard features of vehicles of similar cost.

Time

This component relates to responsiveness and innovation. To continue the automobile example, it might mean the time taken to produce a vehicle, the rate at which new models are released compared to

competitors or, when exporting those vehicles, it might mean the speed with which a shipment can be delivered.

- While the *cost* component is reasonably controllable, it will be seen that the *time* and *value* components are not necessarily. That is, they contain an element of good will or voluntarism. For example, value will be added to a service if the customers are always greeted with a smile and the time component will be enhanced if the phone is always answered within, say, three rings.

Implications for VTC managers

Although productivity is often associated only or primarily with the cost component, it is essential for VTC managers to understand its broader meaning.

The relative contributions of the *cost*, *value* and *time* components of productivity will vary in different circumstances. Hence the VTC manager has a number of fronts to work on when striving to improve the overall productivity of the centre.

In practice however, the distinctions between the three components are particularly applicable to the vocational training environment, because there may often be relatively limited scope for adjustment to *cost* and the most significant potential for improving productivity is in the *time* and *value* components.

In this respect, the VTC manager can create a work culture that consciously promotes both the measurable and voluntary components of productivity.

Some examples illustrate the importance of the three components.

Consider the case where a company is seeking training for its employees in certain technical skills and a VTC is tendering for that training program against competitors. It can be seen that all the components have a role to play. The *cost* might be comparable with other tenders. But additional *value* might be added to the tender at no extra cost to the company by offering various forms of support to individual students. The *time* component could be enhanced by a commitment to ensuring key steps are undertaken at or completed within specific times. The additional productivity through *time* and *value* might make the difference in winning the tender.

Alternatively, the VTC might be letting tenders to other organisations. The three components offer potential for bargaining the best deal from all the tenders.

Constructive management/employee relations

The nature of management/employee relations is often narrowly interpreted to mean the industrial relations climate of an organisation. This proposition requires analysis.

Throughout the world, there is huge diversity in the legislative and other arrangements for industrial relations. Likewise, within each country there is variation between individual companies, depending on the extent to which the arrangements allow companies to determine or control their industrial relations internally.

The diversity of industrial relations can be conceptualised as operating simultaneously on a number of dimensions, examples of which are represented diagrammatically in Figure 1.4.

The industrial relations environment of a company can be plotted on each of the axes, illustrating interaction of a number of features. The position on each axis combines the influence of both government and internal company policy, as appropriate. Although this is only an indicative sample of the dimensions operating, the extent of the scope for diversity amongst and within countries is clear.

Regardless of this diversity, there is a high level of agreement amongst commentators and industry leaders that there are identifiable common features in the human resource management practices of successful firms which, by extension, result in a constructive management/employee relations climate. Hence, it can be concluded that the industrial relations environment is only one of a number of determinants for the success of management/employee relations. Differently stated, it cannot be used, as managers have sometimes been prone to do, as a scapegoat for poor management/employee relations.

What then are the commonly identified features of successful management/employee relations?

Although different commentators will emphasise different features depending on the context in which they are dealing, the considerable similarity of their findings is undoubted.

These features can be considered in terms of the various perspectives from which staff respond to the management approach of an organisation. They may be affected as individuals. They may react in the context of their role within a group. Or the effect might be relevant to the whole organisation.

Dimensions of the industrial relations environment

Figure 1.4

Different management initiatives may have different effects on different people according to these different perspectives. Some typical features have therefore been selected to illustrate the range from the corporate to the individual. This is depicted in Figure 1.5.

In briefly exploring these features, extracts from prominent writers have been included to underline the prevalence of references to them in the literature.

Organisational culture of respect for staff

'Treat people as adults. Treat them as partners; treat them with dignity; treat them with respect. Treat ***them*** *— not capital spending and automation — as the primary source of productivity gains. These are fundamental lessons from the excellent companies research.'*[8]

This theme, neatly crystallised in the above quotation contrasts with earlier views and some continuing practices which cultivate a gulf between staff and management.

Emphasis on innovation and change

'Competitive advantage grows fundamentally out of improvement, innovation and change. Firms gain advantage over rivals because they perceive a new basis for competing, or find new and better means to compete in old ways.'[9]

'Today world competition poses an organisational challenge that cannot be met simply by technology or financial resources. Technological innovations and resource allocation are outcomes of ***human processes****. Our success is not inevitable. Our ability to compete rests on our ability to generate opportunity and results, rather than impasses, stagnation, bureaucracy and wasteful friction.'*[10]

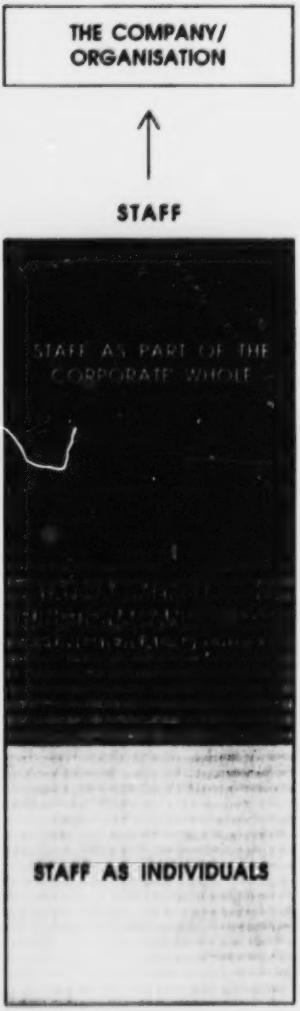
Recognition of the importance of encouraging staff to thrive on change and innovation is widespread and has spawned extensive research.

Flat, decentralised organisational structures

'Profiles of successful firms display common management themes: they are lean at the top, they have a limited hierarchy, and they co-ordinate marketing and operations at low levels in the organisation'[11]

Overall, organisational structures appear to be more tightly defined in the West, with some Asian countries placing much less emphasis on them.

Commonly cited features of successful management/employee relations



SUCCESSFUL HUMAN RESOURCE MANAGEMENT PRACTICES

- Organisational Culture of Respect for Staff
- Emphasis on Innovation and Change
- Flat, Decentralised Organisational Structures
- Open Communication/Access to Information
- Emphasis on Participation and Teamwork
- Career Path Structures and Development
- Investment in Training
- Performance Appraisal and Rewards
- Attention to Employee Satisfaction
- Flexibility in Working Conditions

Figure 1.5

More generally stated, the success lies perhaps in the flexibility of the organisation and avoidance of the danger of communication, action and decisions becoming buried in a multi-layered hierarchy.

Open communication, access to information

'In order to be productive, committed members of an organisation, employees need more, and better information about their jobs, business conditions, customers and competitors. Unfortunately, managers are often reluctant to "open the books" to employees. But without this information, employees are unable to make the best decisions about their jobs . . .'[12]

This quotation graphically summarises a strongly pervading view, which is linked to the concept of respect for staff mentioned previously.

Emphasis on participation and teamwork

'Self-managing work teams — an ideal option for meaningful participation — (have) become a core element of the newer organisational forms.'[13]

This point is consistent with successful approaches to quality, more flexible organisational structures and with broadening as well as fully utilising the skills of employees.

Career path structures and development

'. . . an organisation must create systems that include career development, alternate career paths, and temporary moves, as well as policies that allow mobility, support individual career planning, and offer non-managerial career tracks. Managers also must place more emphasis on career discussions, coaching and feedback to find the best matches between positions and employees.'[14]

As this succinct quotation indicates there are multiple avenues for managers to promote employees' careers and hence their commitment to the organisation.

Investment in training

'There are several noteworthy aspects to Matsushita's staffing practices, and the first has to do with the extraordinary training and mentoring process through which new recruits are moulded . . . virtually everyone of the over

200 000 employees who work for the Matsushita group or its affiliates has been through a substantial training program . . . At each step of the promotional ladder, managers and supervisors receive additional training . . ."[15]

This quotation citing the example of a specific successful company, reflects the experience of many leading enterprises.

Performance appraisal and rewards

'. . . an organisation that rewards its employees with real job satisfaction and a genuine sense of self-worth is more honest to itself and its staff. A better reward for doing a good job is being awarded well-defined responsibility and trust. Helping talented people blossom and develop is one of management's toughest challenges. Resorting to empty promotions as a way of showing appreciation is tantamount to a confession of failure.'[16]

This point finds different manifestations in different companies and includes formalised performance appraisal systems, bonuses, recognition systems and other measures.

Attention to employee satisfaction

'. . . there is more to work than is commonly assumed. There is a rich opportunity . . . for leaders to appeal to more than just material rewards. Great leaders, like great companies and countries, create meaning, not just money. The values and interests of freedom, self-actualisation, learning, community, excellence, uniqueness, service, and social responsibility are the ones that truly attract followers to a common cause.'[17]

Again related to the issue of respect for staff, attention to employee satisfaction has been recognised as a major contributor to company success.

Flexibility in working conditions

'In the past, job duties were fixed, and people were asked to adapt. If someone didn't exactly fit the requirements of the job, the person was required to change. Today, the best actions may involve changes in the job structure or hours, not the person. It is becoming increasingly clear that non traditional jobs and flexible hours benefit not only employees, but customers and management as well.'[18]

A move away from rigidly defined roles of individual staff members towards an approach which encourages flexibility and multi-skilling is implicit here.

The individual staff member's work performance is clearly affected by the degree of match between job and home requirements. This is recognised by the leading companies.

Most of these themes are encapsulated in the following extract from the eminent Japanese management consultant, Dr Kenichi Ohmae:

> *'In short, the most successful large corporations today, regardless of nationality or industry, display a number of common characteristics. They offer job security, tenure-based promotion, and internal development of people instead of global recruiting campaigns. They provide endless opportunities for employee participation. They regard their people as members, not mere employees. They promote a common value system. Knowing the critical importance of the corporation's long-term well-being, they display a real commitment to the business they are in instead of pursuing strictly financial objectives with only stockholders in mind.'*[19]

It is interesting to note that the same themes emerge on an international level. In a recent survey of the major human resource development concerns of companies committed to globalisation policies, the following emerged as the prime considerations:

- *'identifying and retaining highly qualified people;*
- *ensuring sufficient quality and quantity of management at the appropriate time;*
- *ensuring management succession;*
- *sustaining and improving performance at all levels in all areas of business;*
- *increasing the depth of talent in the organisation;*
- *making sure that people have the technical and managerial skills to compete;*
- *making the management competence and culture that are required sufficiently clear to people;*
- *total quality management and changing people's attitudes to quality;*
- *establishing training as part of the management culture;*
- *gaining top management and line management interest in human resource development;*
- *linking human resource management to strategic objectives'.*[20]

Implications for managers

Like their counterparts in business and industry, VTC managers have a group of people to manage as a positive resource for the centre. It may be that the VTC manager does not always have the same level of control over the selection of staff as is the case in industry. However, the common themes of success in industry provide guidelines for managers on how to maximise the effectiveness of this resource and of the centre. In so doing, the centre can demonstrate to industry the vitality of its human resource management practices. Clearly, unless centre staff are imbued with and have practical experience of current practices, their capacity to excel in responding to industry training requirements is likely to be restricted.

Marketing and entrepreneurship

In common parlance, the concept of 'marketing' is often used synonymously with other terms such as 'sales', 'publicity' or 'advertising'. It is sometimes construed as 'hype' or associated with manipulation or dishonesty. If this confusion is not removed, the useful management tools which marketing strategy offers can be lost. 'Marketing' is broader and more complex than any of the other terms. A defined marketing strategy is a must for every successful company.

Most writers are reluctant to give a concise definition of marketing and prefer to explain it more fully. This is an indication of the difficulty in describing it briefly.

However, two examples of the more useful of the available definitions are offered below. The first is a general one:

> *'Marketing is the theoretical study and the practical discipline associated with the effective presentation of products to potential users.'*[21]

The second is a definition offered in the context of a subsequent discussion of the marketing of non-profit organisations:

> *'Marketing is the analysis, planning, implementation, and control of carefully formulated programs designed to bring about voluntary exchanges of values with target markets for the purposes of achieving organisational objectives. It relies heavily on designing the organisation's offerings in terms of the market's needs and desires, and on using effective pricing, communication, and distribution to inform, motivate and service the markets.'*[22]

There is a wealth of information available to the VTC manager on the subject of marketing (refer Appendix 1–4 Further Reading — Marketing), which is only permitted cursory consideration here.

Fundamental elements of marketing are often referred to as the 4-Ps, these being:

Product
: This includes considerations of the nature and range of the products or service.

Pricing
: A decision on the price of the product or service must take into account the price of similar products and services offered by competitors.

Promotion
: The promotion (advertising; selling; packaging; sales promotion and publicity; product image) offers numerous options which must be carefully determined. Potentially, each member of staff can play a role in product or service promotion.

Placement
: Where the product or service is to be available or distributed is influenced by matters such as convenience for the customer on the one hand or the exclusiveness of the product or service on the other.

From this highly abbreviated description alone it is clear that there are many important questions to be asked and answered by managers with respect to each of the 4-Ps. Together they represent the 'marketing mix'. Each represents an element which offers a potential advantage. The more compatible the answers to each of the questions, the more overall advantage there is to be gained.

Figure 1.6 illustrates how the 4-Ps need to interrelate.

The 4-Ps of marketing — interrelationships

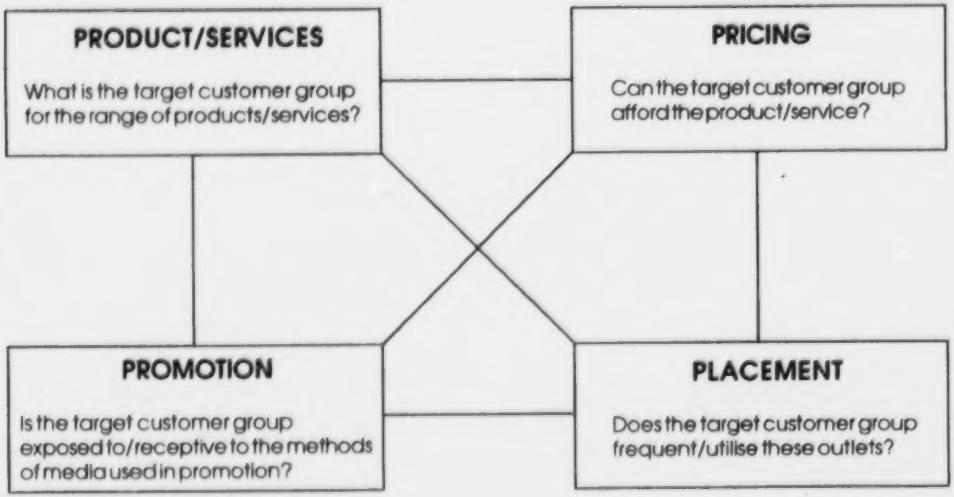

PRODUCT/SERVICES
What is the target customer group for the range of products/services?
PRICING
Can the target customer group afford the product/service?
PROMOTION
Is the target customer group exposed to/receptive to the methods of media used in promotion?
PLACEMENT
Does the target customer group frequent/utilise these outlets?

Figure 1.6

Four useful and basic strategies for marketing were first outlined by Ansoff[23] as long ago as 1957 and are illustrated in Figure 1.7.

The strategies become clearer with some commentary:

1. Seeking increased penetration with existing products/services in existing markets may be a safe way to proceed, but does not always provide sufficient potential for an organisation to grow.

2. Expanding into new products from existing products/services within existing markets offers the opportunity to capitalise on marketing synergies, such as brand names, a committed sales force or advertising.

3. Expanding into new markets with existing products/services offers the opportunity to maximise production/service synergies, such as economies of scale.

4. Diversification occurs when there are neither marketing nor production/service synergies and can therefore be quite risky. Many documented case studies exist of otherwise successful companies who failed when they attempted to diversify.

In his book *'Rethinking Business to Business Marketing'*, Paul Sherlock[24] takes the stance that the truly successful marketing manager is implicitly an entrepreneur. He draws some comparisons between entrepreneurs and what he describes as 'bureaucrats' to starkly underline his point. This is outlined in Figure 1.8.

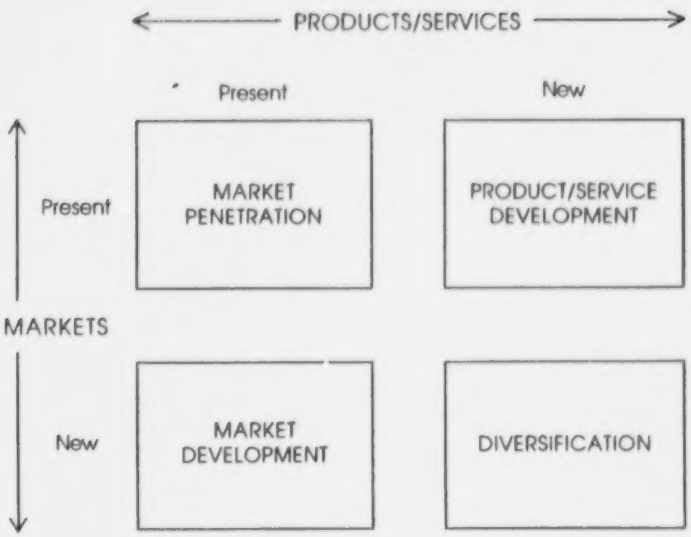
Sherlock is describing a total mindset, not just a series of specific attitudes. The underlying concept is that in order to succeed in a competitive environment, successful managers need a mentality that will set them apart from the norm. This can be described as an entrepreneurial mindset.

Implications for managers

Marketing theory has a great deal to offer the entrepreneurial VTC manager. Since having a good 'product' is an absolute pre-requisite, the VTC manager can see this as a starting-point. Successful program offerings and indeed a successful centre can take on the characteristics of a successful brand name, thus assisting the centre to expand into new programs and other training services for new target groups.

For some managers, this may require a shift in attitude, away from the bureaucratic approaches described in Figure 1.8 and outlined further in chapter 1.3.

Marketing growth matrix



Source: Modified from Ansoff Igor, *'Corporate Strategy'*, Harmondsworth : Penguin Books, 1968 (first published Harvard Business Review, September/October, 1957).

Figure 1.7 41

The entrepreneur and the bureaucrat — how they think

The Entrepreneur	The Bureaucrat
• Knows and 'feels' the market — its tempo, sound, smell and the people who influence it.	• Authorises a market research study.
• Knows with unshakeable faith the product is right for the market.	• Does cost effectiveness and comparative competitive studies.
• Makes commitments, *then* figures out how to do it — intuitively knowing it can be done.	• Commissions a feasibility study.
• Is 'driven' — the endeavour seems to infuse inexhaustible energy.	• May even like the work.
• Functions on 'If it works, use it'.	• Wants a properties characterisation report.
• Is singularly dedicated — everything revolves around this venture.	• Devotes appropriate time to it.
• Mentally asks 'How can this enhance the venture?' of everything seen and done.	• Doesn't ask.
• Gets 'free' moonlighting work from other departments or friends as a result of contagious enthusiasm.	• Is upset that the new department budget is not approved yet.

Source: Sherlock, P. *Rethinking Business to Business Marketing*, The Free Press, a Division of McMillan Inc., New York, 1991, p. 12.

Figure 1.8

Change as 'the norm' — risk-taking

Due to such factors as technological developments and improved communication the pace of change is increasing exponentially.

Hence there is now a body of research and literature about the management of change, designed for the manager of the 1990s. These writings are based on an increasingly justifiable assumption that change must be accepted by managers as 'the norm'. (Refer Appendix 1.3 Further Reading — Managing Change).

The challenge then becomes to maintain strong leadership within a change environment. This involves anticipating the elements of change so they can be geared constructively — to exploit the positive elements and minimise the negative ones.

One of the major issues for managers is the fact that not all people thrive on change. In fact some staff find change tedious and even threatening. It must also be acknowledged that there can often be legitimate reasons for this. There will be those who have experienced change in organisations as capricious, short-lived or non-productive. Alternatively, change may have been introduced in a clumsy fashion, without proper staff orientation or training. The effect of this experience may be to entrench resistance to change and hence to thwart opportunities that may arise as result of change.

It is useful in this respect to distinguish between two broad types of change from the employee perspective:

- *internally controlled* — change that is a direct result of actions by management within an organisation
- *externally controlled* — change that is imposed on the organisation from outside (e.g. controlling authorities, government, advances in technology)

This distinction highlights the fact that managers must be particularly cautious about the rationale for change that they initiate. There is usually much less tolerance by staff of ill-conceived management imposed change than of that which is externally controlled.

Given the potential the management of change has to motivate or de-motivate staff, it is not over-simplifying the issue to think in terms of DOs and DON'Ts for managers in handling change. This is reflected in Figure 1.9.[25]

The very nature of change is that it always involves a degree of uncertainty. If an organisation is to reap the benefits of change it must foster and indeed reward a level of risk-taking which is consistent with that uncertainty.

Implications for managers

Regardless of the specific environment in which VTCs are operating, managers are unlikely to be shielded from the effects of change, whether that be at international or local level. The challenge for managers is not only to treat change as an opportunity, but also to generate change from within.

Depending on the extent of constraint in which the VTC manager is operating, there may be varying ability to promote and reward risk-taking. However, it is important that every effort is made to create opportunities and that any constraints are not used as a device to thwart change.

These matters are explored further in Part 3.

Technological advantage

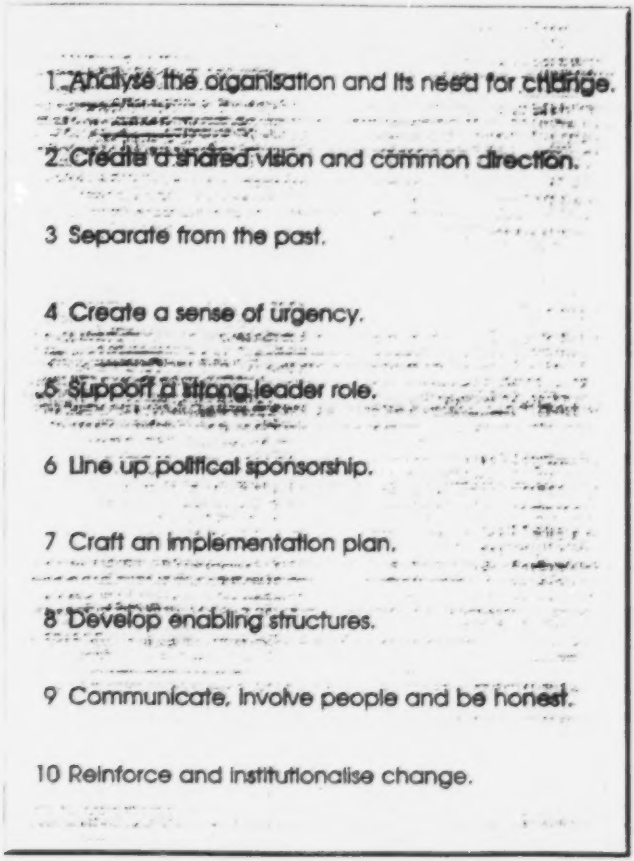
It is generally widely acknowledged and it has been documented in detail that technological change is *'. . . one of the principal drivers of competition'*.[26] In many industries it is a force for improving productivity and the key to innovation. New technology can launch a new enterprise from the ground up.

Implications for managers

While the comments above are self-evident, their implications for training are not always followed through. With often limited funding, the prospect of VTCs keeping abreast with technology can be a daunting one, sometimes to the extent that it has a paralysing effect on managers and staff so that ultimately centres fail to keep pace at all.

It is essential that VTC managers adopt a conscious strategy to address this issue and find creative solutions to the problems it presents. This is discussed further in subsequent sections of this book.

Ten commandments for executing change


1 Analyse the organisation and its need for change.
2 Create a shared vision and common direction.
3 Separate from the past.
4 Create a sense of urgency.
5 Support a strong leader role.
6 Line up political sponsorship.
7 Craft an implementation plan.
8 Develop enabling structures.
9 Communicate, involve people and be honest.
10 Reinforce and institutionalise change.

Source: Kanter, R M, Stein, B A, Jick, T D, *The Challenge of Organisational Change : How Companies Experience It and Leaders Guide It*, The Free Press, a Division of McMillan, Inc., New York, 1992, p. 383.

Figure 1.9

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1.3 Application of industry practices to the public sector

Perceived constraints of the public sector

Often managers of VTCs operate within some form of public sector structure, even although they may have varying degrees of flexibility or constraint within that arrangement. It is nonetheless important that they are seen to operate in a way which demonstrates the closest possible adherence to best practice by industry standards.

Because of the perceived and actual differences of public sector and private sector methods of operation, VTC managers may well have to overcome some public sector constraints to achieve affinity with industry. Even if constraints are minimal or non-existent, managers may still have to tackle some preconceptions on the part of the industry colleagues they come in contact with about the way in which publicly funded bodies operate. These preconceptions reflect some stereo-typical views that exist about the two sectors, as illustrated in Figure 1.10.

As with most stereotypes, this is sufficiently accurate a description to retain credence. But it is over-simplified, as much as a generalisation about the public sector as it is as a generalisation about the private sector. For the public sector, it may well be more a representation of the past than how things are headed in future. For the private sector it certainly represents some of the features of the more successful companies. In any event, the perceived gap between the way the public and private sector operate is still sufficiently great to present a problem for VTC managers wishing to be seen by industry as able to respond to their needs.

VTC managers need to be acutely aware of this gap and in their own local situation attempt to bridge it. This does not mean glossing over the differences or the flouting of regulations, but changing the style of operation to demonstrate an affinity with what industry is trying to achieve.

On closer analysis of Figure 1.10 and given the points already made in chapter 1.2, it will be seen that even where public sector approaches do impose restraints, there is always a capacity for VTC managers to introduce local arrangements which will more closely represent industry thinking.

For example, while it may be necessary to conform to certain system standards in order to ensure continued funding, there is nothing to prevent targets being set at a local level which are designed to foster superior achievement than that formally required.

Commonly perceived stereotypes of the public and private sectors

Public Sector	Private Sector
• Centralisation	• Decentralisation
• Rigidity	• Flexibility
• Adherence to status quo	• Innovation
• Reactive to direction	• Entrepreneurial
• Bureaucracy orientation	• Customer orientation
• Conformity to system standards	• Establishment of progressive targets
• Performance measured against previous performance	• Performance measured against international standards
• Inputs orientation	• Outputs orientation
• Inefficiency/cost insensitivity	• Efficiency/profit orientation

Figure 1.10

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Alternatively, while conformity with the status quo offers a reasonably trouble-free existence for a VTC manager, it will also have disadvantages. Since it only provides limited and somewhat predictable challenge, it does not necessarily encourage the best staff to the centre or enable specific trends or requirements of local industry to be addressed. An active resolve to foster innovation is a clear alternative.

As a general rule, the types of constraints which those working in a public sector or quasi-public sector environment are faced with are based on the need to control what might be described as the 'lowest common denominator'. Since these agencies are accountable to government or other bodies for the expenditure of public funds, this is understandable. However, it usually means that where performance is clearly well above the 'lowest common denominator', even to the extent that it might stretch or go beyond the rules, this will be tolerated, since it is not the high performers that the rules are aimed at.

There is scope for the manager to become recognised sufficiently as a high performer to engender the trust that will lead to greater freedom. Ultimately, the high performers reflect well on the funding agency and the credit which they attract to the agency will be rewarded.

Moving towards private sector practices — corporatisation

In an attempt to improve the efficiency of the public sector, and in recognition of the potential of private sector models to inform change to the public sector, there have been moves in recent years by governments in a number of countries to incorporate some aspects of the private sector into public sector enterprises.

In greatly over-simplified terms, there are perhaps three major forms between what can be described as the 'pure public' and 'pure private': statutory authority, commercialisation and corporatisation. These are illustrated in Figure 1.11[27]. In some instances these forms represent a transition path which enterprises can take towards incorporating more aspects of the private sector. There are also some private sector practices such as contracting out or voucher systems which can be utilised to a greater or lesser extent in these forms.

FORM	PRINCIPAL *Who determines product/services?*	AGENT *Who produces?*	PRINCIPAL/AGENT RELATIONSHIP *What is the principal/agent relationship?*	FUNDER *Who pays?*	OWNER *Who owns the enterprise?*
PURE PUBLIC SERVICE	Political Authority	Government Agency	Mainly directive supervision	Political Authority	Government
STATUTORY AUTHORITY	Political Authority	Government Agency	Varying mix of input/process standardisation and outputs standardisation	Political Authority	Government
COMMERCIALISATION	Mix (mainly political authority, partly individual consumer)	Government Agency	Partly standardisation, partly contractual exchange	Mix (political authority and individual consumer)	Government
CORPORATISATION	Mix (mainly individual consumer, partly political authority)	Government Agency	Mainly contractual exchange, some outputs standardisation	Mix (political authority and individual consumer)	Government
PURE PRIVATE (PRIVATISATION)	Individual Consumer	Private Enterprise	Contractual Exchange	Individual Consumer	Private Enterprise

Source: Alford, J. Graduate School of Management, Melbourne University Lecture Series, September 1992[27] (adapted).

Figure 1.11

The form which appears to be currently attractive to governments is corporatisation.

Corporatisation entails:

- Improving the efficiency of the enterprise.

  Some of the characteristics of the private sector are adopted, such as: increased fee-for-service activity; tendering for program provision; and open competition with other government owned enterprises and with the private sector.

- Maintaining a commitment to community service obligations.

  Governments usually identify specific community service obligations they wish to maintain. However, this commitment is likely to be accurately costed and its effectiveness evaluated against this cost.

- Effecting clear structural separation of the management of the enterprise from government.

  This is usually achieved through decentralisation of responsibility and high levels of delegation.

- Retaining public ownership and specific accountabilities to government.

  An appropriate balance needs to be struck between the accountabilities and the decentralised responsibility, to ensure the best efficiency gains can be achieved.

As such, corporatisation is clearly distinct from, and should not be confused with, privatisation.

Corporatisation has understandable appeal to some governments when applied to the training environment, because of its perceived potential to:

- achieve greater efficiency in training;

- shift government involvement in training from operational to policy or strategic matters;

- achieve consistency of government approaches with industry/private sector practice;

- provide a framework for greater involvement of industry in training;

- shift responsibility for the quality of training from government to VTCs and industry.

Both the attractiveness of corporatisation to government and the number of successful cases of corporatised enterprises are good reasons for VTC managers to be aware of the implications of corporatisation or other moves to adopt private sector practices.

For VTC managers operating in a public sector environment, there are also distinct advantages in moving towards private sector approaches because they:

- reduce the time-consuming requirements of dealing with central bureaucracies;
- allow greater day-to-day control of operations;
- enable a quicker response to local demands and circumstances;
- enhance the ability to compete with other VTCs, public and private, if applicable;
- improve the capacity to generate discretionary resources;
- provide a challenge for managers and staff.

These features are conducive to entrepreneurship amongst VTC managers.

1.4 Summary

This part has provided an overview of the trends and concepts that have emerged in industry during the late 1980s and 1990s. The implications for VTC managers of each of the trends and concepts have been briefly alluded to and it is clear that they extend right across the operations of the VTC, including:

- management style
- planning
- the curriculum
- the student body
- resource management (staff, facilities and finance)

The trends and concepts are indicative of the state of the world market and international competition and of industry's capacity to respond to them. With the ever increasing globalisation of communication and competition, it is incumbent upon those in the training sector to closely examine and improve their responsiveness to industry and so to play a part in contributing to the productivity and competitiveness of the countries in which they operate.

Part 2

Managing the planning and leadership framework

2.1 Introduction

Having briefly outlined some of the major concepts and trends in industry and explored their implications for VTC managers, attention is now turned to how these can be applied in a VTC.

Following from the comments in Part 1, there is a number of themes in this part:

- that all VTCs, small or large, operate to some extent in a competitive environment, perhaps with other VTCs, with in-house industry training, with suppliers of other training solutions, with other potential beneficiaries of available funding and even with the VTCs own past performance;

- that competitiveness will be enhanced through improving the intrinsic quality of the VTCs offerings and its quality relative to other competitors;

- that a structured process for improving quality, suitable to its own needs and circumstances, will be of benefit to a VTC;

- that to achieve enhanced quality and sustained development, the VTC manager's attention will primarily be on strategic, as distinct from operational, issues;

- that the VTC will benefit from the process and outcomes of strategic planning, which in turn provides the basis for all operational decisions and actions;

- that, like industry, VTC managers need to take an aggressive approach to enhancing the centres' competitive advantage;

- that the VTC manager, particularly the chief executive officer, has a key role to play in the wider community to which the centre belongs and as the figurehead and advocate for the VTC.

The emphasis in this part is therefore on outlining some strategies which are consistent with these themes and which have been shown to work in practice in the experience of the author.

2.2 Focussing the centre

The 'product' and the 'customer' in the vocational training environment

In keeping with Total Quality Management, it is useful for VTCs to clarify the 'product' and the 'customer'.

The use of this terminology has been known to cause debate in service industries and the training environment, where some view it as inappropriate. This stems from the connotations of the terms which, in manufacturing, imply a monetary exchange in respect of a commodity.

Some staff initially find the terminology at odds with their concept of their own professionalism, which is often based on a personal and social commitment. Thus the notion of the student as a customer or of training as a commodity may be seen to imply an instrumentalist view of education.

Interestingly, these concerns are often quickly overcome. Those regarded as customers, including students and particularly industry and employers, welcome the idea that they can expect a customer service approach and so respond favourably to the suggestion. Many staff also soon find the exercise of identifying all customers, rather than just the students, to be an interesting and challenging one. A degree of pride develops around the prospect that the VTC is aiming to hold its own with the private sector with respect to efficiency and quality.

In this sense, the connotations of 'customer' and 'product', if presented sensitively by management, can soon become positive ones, conveying a contract between the VTC and its users and so reinforcing the need for quality and accountability.

Identifying the 'customer'

As will become clearer in this and subsequent sections of this book, it is useful to distinguish between 'external' and 'internal' customers.

External customers

'External' customers are those external to the VTC.

As is the case in industry, a VTC can have multiple customers, each with different needs, which can vary according to the context. Some of the external customers might include:

- individual students
- industry
- employers
- parents
- the community
- funding and contracting bodies
- donors
- government

These broad categories can also be more closely defined. For example, the VTC might have a mandate to service students from targeted geographic areas, from particular groups or with specific needs. There might be an emphasis on certain industry areas or a requirement to respond to particular arms of government or government policies. If the centre has a wider focus than program provision, such as research, testing, consultancy or other services, there might be other customer specifications related to these roles.

This is illustrated in Figure 2.1.

Further, not all parts of the VTC necessarily have the same customers or customer mix and it may be useful to identify these separately. This can be achieved by taking the customer focus into specific levels of the VTC by, for example, heads of department identifying their particular customer mix.

Comparative customer mix — two notional VTCs

Category	VTC 1	VTC 2
Students	• Prospective employees' in the hospitality and tourism industry, local and overseas • Groups and individuals upgrading skills for the hospitality and tourism industry	• Post-school students of remote rural areas usually engaged in small family farming enterprises • Adult farm-workers
Industry	• Hospitality Industry • Tourism Industry • Major Airline Companies	• Agriculture/food production industry
Funding bodies	• Individual students (fee-for-service) • Industry (training contracts) • Government (limited funding)	• Government
Donors	• Nil	• Aid agencies • Major farm machinery company
Government	• Ministry of Tourism • Generalist government policy to promote tourism	• Ministry of Education • Ministry of Agriculture • Specific government policies to improve productivity of food production

Figure 2.1

Internal customers

In the vocational training environment there are staff who seldom or perhaps never deal directly with external customers, such as students. An accounts clerk or a purchasing officer might fall into this category. And yet, these staff play a critical part in the chain of activities which contributes to the quality of service the student ultimately enjoys.

The distinction between external and internal customers caters for the fact that this contribution occurs in an indirect way through an internal customer relationship with other staff.

The concept of internal customer is also a useful way of acknowledging that staff operate in different customer relationships with each other and that the same groups of staff may alternate, in different situations, between customer and supplier roles.

The following examples illustrate this:

Example 1

> When student enrolments are completed, student administration staff prepare class lists for all teachers in time for classes to commence.
>
> Customer: teaching staff
> Supplier: student administration staff

Example 2

> In order to be able to post notification of results to students, student administration staff must receive completed results statements for all students by the due date.
>
> Customer: student administration staff
> Supplier: teaching staff

It is clear from these examples that students will benefit if a customer service approach is encouraged in internal customer dealings.

Bearing this distinction in mind, enrolled students may be considered to be internal customers, whereas prospective students may be regarded as external ones. They each demand a different approach.

As is the case with external customers, each department can benefit from clearly identifying its internal customers.

Clarifying the 'product'

In the VTC context, the product may be defined in terms of a number of component parts which typically consist of elements such as the following:

Curriculum products and associated program delivery

- curriculum documents for established programs
- programs tailored to customer specifications
- learning materials and software
- various training delivery options

Other services

- curriculum development
- consultancy
- research
- testing
- sale of products, services

Based on the principles outlined in Part 1 of this book, each of these component parts contributes to the success of the totality of the VTC product offerings. Hence, each component must be carefully managed to ensure overall quality.

But defining the VTC product is more than simply identifying the training programs and services — the skills imparted or the services provided — that a VTC offers. Obviously, the student already has skills when commencing a program and the VTC is not solely responsible for the ultimate outcomes of participation in a course.

Developing a succinct definition of the 'product' is therefore not a straightforward task.

In this respect, the concept of *value added* can be a useful one. Using this concept, the following definition of the VTC product is suggested as a basis for consideration:

> Definition of the VTC product:
>
> > the value added to skills, knowledge or experience through participation in or access to VTC products and services.[1]

As is the case with the 'customer', each department in the VTC should, for reasons that will be explained subsequently, more closely define its own 'product'.

Defining the mission and goals

Clarification of the 'customer' and 'product' of the VTC serves at lease two critical purposes:

- it ensures there is a common understanding across the VTC of the customer base and product offering;
- it facilitates accurate communication of the VTCs role.

These are essential pre-requisites for the formulation of a mission and goals which, as will become clear in subsequent sections, can play a vital part in the management of the centre.

For the purposes of this book, 'mission' and 'mission statement' are consistently used as the most prevalent and commonly understood words for the overarching statement of an organisation. However, it is acknowledged that there are other accepted terms which are used in similar ways, for example 'vision' or 'statement of purpose'. Some organisations may have more than one overarching statement, such as a vision and a mission.

Preference for the term 'mission statement', is to some extent based on the view that it will be more meaningful if is not confined to a statement of the purpose or role of the centre. In this respect, the 7-S Framework, already described in Part 1, provides an excellent basis for determining the contents of the mission statement. It is suggested that it might incorporate reference not only to the *strategy*, but also to the *superordinate goals* and *style*.

Mission statements also vary in length and complexity, but are typically short enough to encapsulate key concepts.

Two examples of these overarching statements, one of a major international company and one of a Vocational Training Centre illustrate this:

Example 1 — Mission statement

- *Provide the highest quality products and services to our customers' satisfaction.*
- *Contribute to social and economic development of the community.*
- *Enable employees to not only gain economic benefits but also to gain self-fulfilment.*
- *Achieve corporate continual growth and prosperity.*[2]

Example 2 — Mission and vision

Vision

For the college to be a world class leader in the business of vocational education services.

Mission

Through a team approach, we will develop, provide and continuously improve vocational education services responsible to the requirements of all our customers.[3]

There is little point in a mission statement that is imposed from above. It is essential that it be developed in a way which involves and engages staff and about which they have a sense of ownership. The manager needs to develop a process which enables this to occur.

Mission statements are often criticised for being too general, a criticism which will sometimes appear justified at face value. However, this can simply be the consequence of including the whole of the VTC in the process, because the mission statement then genuinely has to accommodate the views and perceptions of everyone from all levels and be expressed in language that is widely understood. Since everyone in the centre can then identify with the mission statement, its generality is turned to advantage.

The benefits of developing a mission statement lie both in the process of reaching agreement between staff and management and in the fact that the strategy, superordinate goals and style have been clarified. These benefits have been documented and include the following:

- provision of a starting-point for strategic and institutional planning;
- enhancement of decision-making, communication and delegation;
- promotion of loyalty and commitment amongst staff and management;
- facilitation of selection, recruitment and promotion of like-minded staff, possibly leading to the voluntary departure of those in conflict with the mission;
- engendering of greater co-operation and trust.[4]

However, most organisations will not confine themselves to a brief statement such as the ones listed above, but choose to spell out their goals, aims, values or principles in greater detail. Again there is a wide range of terminology used, all directed at conveying in some way the broad concepts underpinning the mission. It is not the intention here to debate the merits of the different terms. Rather, examples are given to illustrate approaches which might provide guidance or be adapted for use in VTCs.

For the examples provided above, the relevant goals are provided in Appendix 2 — Sample mission statements and goals. In the case of Nippondenso the term 'operating principles' is used, while Broadmeadows College of Technical and Further Education uses 'values' and 'guiding principles'.

Reference to Appendix 2 reveals that for both examples most of the components of the 7-S Framework are alluded to. Hence in both cases the organisations articulate clearly, for management, staff and potentially customers, what they stand for. Consistent with the comments made previously about the development of the mission statement, it is also important that the goals are developed in such a way as to generate ownership among staff.

Further practical benefits can be cited as flowing from the development of goals. They provide:

- a pre-requisite for the development of a strategic plan
- a foundation for the pursuit of a Total Quality Management program
- a basis for the development of specific objectives and targets
- corporate and overarching guidelines for the development of VTC policies and procedures
- general parameters for all operational decisions
- a day-to-day framework for staff in the face of change

These benefits are further explored in subsequent sections of this part.

Implementing a quality program

As the huge diversity of practices in industry shows, there is no single model for implementing a quality program. On the contrary, it is essential that each organisation finds a process that will suit its own ends. That is, it

will be compatible with its mission and goals, with its customer requirements and with its product offerings.

It is therefore not appropriate here to seek to prescribe how managers might approach this issue. But some examples from practice might assist.

At this stage, documentation of experience in the implementation of quality programs in the wider education sector is not extensive. However, two exciting examples can be cited in the vocational training sector which have attracted world attention, and which are briefly described below.

Sandwell College of Further and Higher Education, U.K.

Sandwell College established a quality assurance program in 1991 which aimed to attain registration for conformance to international standards (ISO 9002) and the equivalent British standards within eighteen months. This involved translation of these standards, which have been written for industry, into the education context. An extensive program was introduced across all aspects of the teaching function and registration was obtained within the targeted time-lines. This has provided a basis to further build the quality program throughout the institution.

Sandwell College adopted a definition for quality in the education context:

'Conformance to requirements which are measurable/definable' [5]

The program came to be well accepted and was pursued with commitment by staff of the college.

The Sandwell experience demonstrates that quality programs, parallel to those in industry, can be successfully introduced and recognised as complying to the same rigorous world quality standards that apply to industry.

Fox Valley Technical College, Wisconsin, U.S.A.

Commencing in 1985, the quality system for Fox Valley Technical College now serves as a model for implementation in education in the U.S.A. A key characteristic of the implementation process was intensive training of all staff in the college, starting with the chief executive and members of the governing board. Being of longer standing, the 'Quality First' program, as it is called, now covers all elements of the college's activities: management and technical processes, transactions, services and teaching activities.

The college's 'Quality First' Policy states:

> *'It is the policy of Fox Valley Technical College to provide quality instruction and service consistent with the highest educational standards. We endeavour to provide precise, prompt, and courteous service and instruction to our students, to one another, and to the employers who hire our graduates and use our services.'* [6]

The college's reputation and status in the practice of quality is such that it now provides extensive training for the education sector and industry through a separate arm, the Quality Academy.

The examples Sandwell College of Higher and Further Education and Fox Valley Technical College have in common:

- a pre-existing organisational culture which was receptive to the quality initiatives;
- high levels of commitment from management from the outset;
- preparedness by management to direct sufficient resources to implementation;
- rigorous approaches to the measurement and monitoring of quality achievement;
- ultimate acceptance and broad support from staff at all levels;

- recognisable improvements in the standards of programs and services to students and other customers;

- a desire to capture the status of international benchmark supported by intensive marketing of college achievements in the wider national and international community.

The models provided by these two institutions are commended to VTC managers as being worthy of close attention. They underline the advantages to be gained by focussing the VTC in the ways described in this section. Particularly in the case of Fox Valley, the experiences have been well-documented (refer Appendix 1.1 Further Reading — Quality).

Used in conjunction with the multitude of examples available in the private sector and in consideration of the particular circumstances of an individual VTC, VTCs managers have a wealth of documented experience to draw on when applying quality principles to vocational education and training. Ultimately, however, the most effective approach is to develop a process to fit the unique circumstances of the VTC.

2.3 Strategic and institutional planning

Definitions — strategic and institutional planning

For the purposes of this book, a distinction is drawn between *strategic planning* and *institutional planning*.

Strategic planning refers to the process by which the VTC seeks to shape and determine its longer term corporate development. The plan is expressed in the form of objectives, targets and performance indicators and includes strategies to achieve them. It is consistent with, and clearly able to be derived from, the mission and goals of the VTC. Like the mission and goals, it is developed in a way which encourages all staff to adopt it as part of their daily operations. Depending on the planning parameters of the VTC, the strategic plan will usually be framed over a 3–10 year period.

The strategic plan provides the basis for all the institutional plans.

Institutional planning refers to all those plans which address various functions or initiatives of the VTC. These include master plans, campus plans, building plans, capital works plans, curriculum plans, human resource development plans, curriculum plans and program profiles.

The distinction is necessary, because it cannot always be assumed that institutional plans are based on a strategic plan. Often they exist in isolation from an overall strategic plan and may be inconsistent with, or even in conflict with other institutional plans.

The manager's role in planning

In different systems, responsibility for planning for the VTC may rest with different people, bodies or agencies. For example, it may be vested in:

- a management or advisory board or council attached to the VTC
- a centralised national, regional or provincial planning authority
- the relevant funding authority
- the VTC, through designated responsibility of, or delegation to, the chief executive officer
- an aid agency

There may be a mix of the above, with different responsibilities for overall directions, documentation guidelines and time-frames.

Depending on the arrangements, the ability to implement and co-ordinate the strategic planning and institutional planning processes will be affected.

The VTC is of course obliged to conform to any applicable guidelines. To avoid duplication of effort the best possible combination of internal and external requirements needs to be found.

However, regardless of whether the formal structure places the VTC in an active or responsive role in planning, it is argued that the best interests of the centre will most effectively be served if the chief executive officer actively drives the strategic planning component.

The entrepreneurial VTC manager will have a well-developed strategic focus as defined above, evident as a strong commitment to and ambition for the VTC. This may never be formalised in writing since it will probably be frequently adjusted and refined in response to change, new information and the input of others. But it will nonetheless be communicated to staff that the manager is an energetic champion of the centre's future. There is no sense in which an effective manager will adopt a 'wait and see' attitude to the strategic direction of the centre or leave its future to fate or chance.

A high priority of the VTC manager must therefore be to ensure that whatever structures are available for strategic planning to take place, these are fully utilised. In so doing, the VTC manager will be facilitating a more

effective institutional planning process and be in a position to delegate the various components of this to other managers, where appropriate.

Typical planning constraints

In many instances, VTCs do not have the luxury of a fully fledged planning/research function to underpin strategic and institutional planning. Often planning activities and documents, if they are undertaken at all, are completed by staff within departments as an integrated part of wider duties. No doubt this is a reflection of the traditionally practical and training emphasis on the VTC and of the size of centres.

This situation can be contrasted with universities, where institutional planning/research as well as other forms of pure and applied research have been a keystone of the activities for decades and even centuries in some cases.

While the mandate of VTCs is such that the university model is not necessarily appropriate, the desirability of improving planning and applied research is undeniable. If the perceived importance and value of vocational training, and hence its status within the post-secondary education sector is to increase, greater accountability to the community, industry and funding authorities is essential. This necessitates that planning is sound and is likely to require some changed approaches in VTCs over time.

However, it is not only at VTC level that the manager has to contend with deficiencies which affect planning. Quite apart from the limitations which may exist locally, absence of other important planning tools, such as accurate industry advice, labour market projections, occupational trends and up-to-date demographic data is commonplace.

In the context of limited resources on a number of fronts, the VTC manager will often require some ingenuity if the centre is to plan soundly and produce credible planning documents. This may mean simply making maximum use of what is available.

For example, it is possible to take several approaches to the use of data, by getting the best possible combination of *type*, *scope*, *horizon* and *source* available. Some of the options are:

Data Type
- enrolment/post-enrolment
- success/completion rates
- cost/financial
- demographic
- socio-economic
- industry/labour market
- occupational trends
- attitudinal

Data Scope
- local
- regional/state
- national
- international

Data Horizon
- historic, past
- actual, present
- projected, future

Data Source
- VTC
- independent (consultants, industry)
- government

To cite a specific example, if national data on emerging occupational trends is unavailable, international data could be obtained and qualified, if appropriate, by other available and relevant national data, such as demographic trends and labour market trends.

In the longer term, the VTC manager needs to develop a strategy to develop a sound planning base, even if this is staged over time. This is particularly the case if strategic planning is to be effective.

Planning within time-lines and funding cycles

Planning must always occur within realistic estimates of available or potentially available resources. There is little point in having elaborate plans which are not costed or otherwise linked to available resources. Such plans are destined to gather dust with decision-makers.

A useful starting point for both the strategic and institutional planning process is to consider planning in conjunction with the usual budget cycle for the VTC, both recurrent (operational) and capital (facilities and equipment).

If, for example, the centre operates on annual recurrent funding, with no guarantees of subsequent income, it will be difficult to plan with any certainty beyond that point. As a result, strategic plans might focus on a three to five year period while institutional plans might be short term and with a one to two year horizon. An annual business plan (operational/recurrent) or an equipment purchase plan for specific program areas (capital) could fall into this latter category.

On the other hand, if the centre operates within a triennial funding cycle, the VTC manager is in a position to realistically undertake strategic planning over a medium term — say, a five to eight year period. Institutional plans might have a three to four year horizon. Examples in this latter category could include a plan for the introduction of a new program area or a plan to relocate and expand an existing program area (recurrent and capital).

The examples above illustrate clearly, that the longer the operational/recurrent budget cycle, the greater the capacity to incorporate other resource considerations and to integrate operational/recurrent and capital funding requirements. This in turn provides the manager with both more flexibility and more certainty in planning, enabling a more strategic focus to be adopted.

Conversely, the shorter the operational/recurrent budget cycle, the more the planning will be compartmentalised into funding categories and the greater the concentration on operational matters.

Thus, the concept of 'short', 'medium' and 'long' planning will change according to circumstances and the types of plans that can be realistically developed will vary likewise.

Of course, there are often instances where funding is made available outside of any regular funding cycle. This can be referred to as ad hoc or 'windfall' funding. If strategic and institutional plans are already in place within the VTC, such funding will be able to be put to more effective use.

Planning as advocacy

The importance of using both strategic and institutional planning documents for advocacy purposes can hardly be over-emphasised. Planning documents provide written evidence of the VTCs view of its direction.

For this and other obvious reasons, they should on principle be always presented in a format of the highest possible quality. A set of plans that is professionally presented, well-researched, specific, measurable, costed and conceived within clearly defined time-frames will be convincing and generate its own momentum.

Further, in times of limited funding, such plans are best directed accurately at the priorities of the funding authorities. They should be based on careful research and networking to determine what initiatives are likely to be ranked most highly. This not only advantages the proposal's acceptance with the decision-makers, but will be interpreted as evidence of the astuteness of the VTC manager.

This applies particularly where planning is constrained by budgetary uncertainty, as is the case with annual budget cycles. Developing credible long term planning documents for advocacy purposes allows the VTC to keep its directions in the spotlight with the funding bodies. While such plans are based on projected funding and are in fact concept proposals in this situation, they nonetheless provide a vehicle to demonstrate entrepreneurship.

2.4 Developing a strategic plan

The process for development

Before commencing a strategic plan, a number of issues need to be determined. These include:

The time-frame for the plan

A decision on the most appropriate time-frame for the plan might be influenced by the time constraints within which the VTC operates, as outlined above. It will also involve a judgement within the VTC concerning the aggressiveness with which it wishes to pursue its development or the improvement of its competitiveness. Ideally an atmosphere of challenge and even excitement would be engendered amongst staff about the plan. A sense of undue or unreasonable pressure by requiring achievement within too short a time-frame would be counter-productive.

The VTC manager needs to balance all these and other relevant issues in reaching a decision.

A time-frame of three years is suggested as a manageable one, including cumulative targets for each year, wherever possible. This is addressed in more detail later in this section.

Participation in the development of the plan

The issue of who will participate in the development of the strategic plan also requires clarification. Generally speaking, the more staff are involved, the more they will embrace the importance of implementing the plan.

Where there is a body or authority to which the VTC is responsible, representatives must of course be included. It is also suggested that all senior managers, key staff likely to be affected by the plan and a cross-

section of other staff, perhaps selected on an 'expression of interest' or representative basis, be included.

Reference points in the development

A number of steps is suggested for developing a strategic plan. These are illustrated in Figure 2.2.

Step 1 is a pre-requisite step, but steps 2, 3, 4 and 5 can be seen as concurrent since they are interdependent. They essentially pose a similar question in each case, namely — 'How can we improve our performance?'

But different reference points are used in each step, namely:

- customers
- competitors
- internal knowledge
- data, objective evidence

These are described in detail in the next section.

Steps in the process

Step 1: Determine the mission and goals

Having determined the time-frame for the strategic plan, the mission and goals provide the broad strategic direction and framework for the VTC and are therefore the starting-point for the process.

Step 2: Conduct a structured customer feed-back process

This step is consistent with the customer orientation of Total Quality Management. It can be implemented in a number of different ways:

Developing a strategic plan

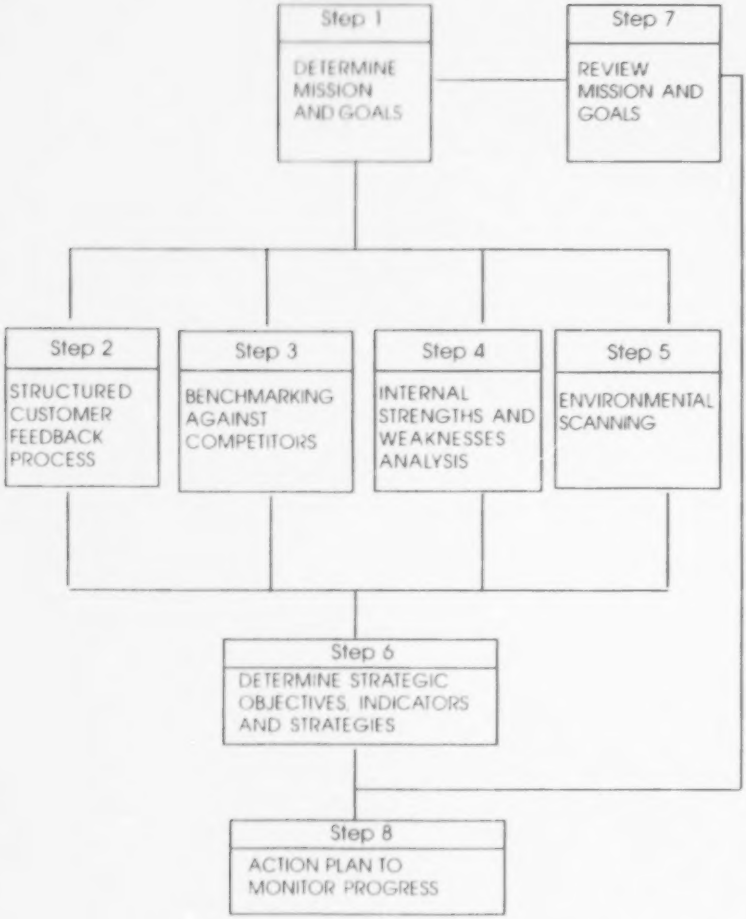

Figure 2.2

- face-to-face, by telephone, written
- formal (e.g. by survey) or informal (e.g. open-ended discussion)
- in groups or individually
- using all or selected customer groups

Obviously, the more participants from the VTC who are directly involved in experiencing the customer feed-back, the greater the benefit. But however it is structured, it should be conducted in a way as to welcome both positive and negative comment.

As a result of the customer feed-back process the following information would ideally be obtained/deduced and quantified wherever possible:

- Areas of improvement required by customers (for rectification).
- Areas of achievement valued by customers (for strengthening).

Step 3: Benchmark against competitors

This step involves obtaining as much information as possible about competitors as a means to make judgements about the VTCs performance.

As previously alluded to, this information is not always readily accessible in the vocational training environment even at the national level, let alone at international level. However, as governments become more keen to provide a competitive training environment, the situation is likely to change. At present even the comparative financial information, which ought to be available as a matter of public accountability, is a useful starting point. In order to go beyond that, some creative approaches may be required.

As a result of the bench-marking the following information would ideally be obtained/deduced and quantified wherever possible:

- Minimum achievements required to remain competitive.
- Targeted achievements designed to obtain competitive advantage.

Step 4: Analyse strengths and weaknesses

This step draws on the internal intelligence of key personnel within the VTC and is complementary to the information provided by customers in step 2. The analysis involves a frank assessment of the strengths, opportunities, weaknesses and threats of the VTC.

Generally speaking, the results of this process would remain confidential within the centre, since such information could be misused if it were to become widely known.

As a result of the internal analysis the following information would ideally be obtained and quantified wherever possible:

- Strategies to reduce weaknesses and threats.
- Strategies to enhance strengths and opportunities.

Step 5: Undertake environmental scanning

It is essential to analyse all available internal and external data and information pertaining to the environment in which the VTC operates, despite the typical constraints outlined previously.

Such information as trends in student enrolments, completions and destinations; demographic trends; and industry and occupational growth trends are obvious matters to be included. As previously stated, where such information is lacking the VTC manager may need to develop a plan of action to compensate for this or to acquire information over time.

As a result of the environmental scanning, the following information would ideally be obtained and quantified wherever possible:

- Evidence on which to base judgements as to whether planning goals are achievable.
- Evidence on which to base judgements about environmental constraints.

Step 6: Determine strategic objectives, indicators and implementation strategies

Steps 2–5 described above provide a wealth of information to inform the plan. As already stated, there is not necessarily any preferred sequence in which they should be undertaken and it will often be the case that, to some extent, they corroborate each other. For example, where customers identify as part of step 2, achievements of the VTC that they value, these are likely to be aligned with the strengths identified in step 4. Likewise, identification of minimum achievements to remain competitive in step 3 may well be consistent with environmental constraints identified in step 5.

The mass of information obtained therefore needs to be synthesised and assembled into a useable form. Emphasis is on useable, because if the result is too cumbersome and unwieldy, its implementation will be impossible to manage.

As a broad rule, the information gathered in the previous steps should be condensed into no more than six to eight strategic objectives. It is well worth exercising the discipline of limiting them to this number as a means to keep the focus on key priorities and convey a cohesive direction — that is, to ensure that they are, in fact, strategic. They should also be achievable, measurable and have a clear time-line for completion.

Examples of strategic objectives are as follows:

- Achieve an operational surplus of at least (insert amount) and (insert date).
- Achieve a target of at least (insert percentage) of self-generated income to total income by (insert date).
- On an annual basis, ensure disadvantaged groups are represented in the enrolled student body in a proportion similar to their representation in the region served by the VTC.
- On an annual basis, achieve best practice measures on benchmarks for comparable VTCs for the following indicators: (insert indicators).

A strategic objective might also be developed with respect to quality implementation.

While these objectives are entirely different in flavour, they all meet the three criteria listed above.

For each strategic objective, specific targets or indicators and implementation strategies are required to ensure they can be achieved. These are preferably determined in consultation with those who will be most closely involved in their achievement, to ensure that they are also realistic.

Step 7: Review the mission and goals

The strategic objectives, the targets/indicators and the implementation strategies together comprise the body of the strategic plan.

Having gone through the process described in steps 2–6 above, it may however be necessary to review the mission and goals to confirm that they are still consistent with the strategic objectives. It is possible that the information obtained in steps 2–5 elicits strategies which are more or less ambitious than the mission and goals imply. In such a case, additional work needs to be undertaken to ensure they are all co-ordinated.

The completed strategic plan together with the mission and goals is then usefully published and circulated widely as one document, to provide a comprehensive context and strategy for the VTCs development. Perhaps in an abridged form, it might also be disseminated within the wider community.

Monitoring and applying the plan in the VTC

A process to monitor the process of the strategic plan is an important element of finalising it. Although it may be set within a 3–5 year time-frame, the plan and its resultant implementation strategies do not remain static.

A review of progress on the specific indicators is recommended on at least a quarterly basis, together with an annual review and possible amendment of the plan itself.

Further, the strategic plan can be put to a range of immediate uses once it has been developed. These are indicative of the benefits of the process.

A strategic plan provides:

- the foundations for all institutional plans;
- guidelines for individual departments and staff to develop annual objectives;
- where performance appraisal systems are in place, a basis for assigning specific responsibility and quantifiable indicators by which to judge performance;
- a means of accurately communicating to staff and customers the directions of the VTC;
- a mechanism through which the progress of the VTC is constantly monitored.

2.5 Leadership and teamwork

The organisational structure

The organisational structure can be seen as the order and pattern into which all the individual jobs within the VTC are grouped. Although an individual job is the smallest unit of the organisational structure, it is the jobs that determine the organisational structure and not vice versa.

Jobs are categorised into functional areas, such as departments, units, branches, faculties or whatever terminology the VTC adopts. These in turn may be sub-divisions of larger categories which comprise related functional areas within the VTC.

In this sense the organisational structure is a construct to facilitate how staff work together and how management communicates with staff. It reflects how the human resource development approaches outlined in Part 1 (refer figure 1.5) are applied in practice.

A number of strategies can be highlighted as ways to achieve an effective organisational structure:

Flat structures

The first strategy relates to the maintenance of a flat structure. In contrast to some hierarchical organisations with many levels of management and supervision, a flat structure is one which restricts the number of layers to a minimum. For example, there might be four layers: the chief executive, senior management, middle management and line staff. The use of one-on-one reporting relatio ships is discontinued.

Implicit in the concept of flat structures is the principle that there are high levels of decentralisation of responsibility for operational matters in the organisation with senior management focussing on policy and strategic issues. Unless this decentralisation occurs a flat structure will not be practicable.

By ensuring that the number of layers is kept to a minimum, a flat structure also promotes teamwork. This can occur in various ways. For example, if the chief executive and the senior managers operate as far as possible as a team, two layers can operate in practice as one. Other team configurations using vertical and horizontal combinations will likewise assist to break down hierarchical layers. The chief executive plays a pivotal role in facilitating and promoting the team approach.

The flat structure facilitates the flow of information to and from staff and enhances co-operation. This in turn fosters a climate of openness and trust. It also means that staff have a growing knowledge and awareness of the issues underlying decisions and the decision-making process itself. Management is de-mystified and management roles cease to be perceived as being unattainable.

All of the above points contribute to the organisational structure being both simple and flexible.

Matrix structures

Some organisations have adopted a matrix approach to the organisational structure. A matrix organisational structure incorporates both lateral and vertical reporting relationships. They typically occur where some groupings of staff have a corporate or cross-organisational function and others have a specific purpose.

For example, a sales and marketing department might operate in a lateral reporting relationship across a number of business units, while it and they also have their own vertical reporting structures. In a VTC setting, there might be a number of teaching divisions or faculties relating in a matrix arrangement to support divisions such as curriculum/educational services or finance.

Matrix structures can be problematic unless the reporting relationships are clear. That is, there is a danger that dual reporting relationships are established and accountability becomes confused.

The principle of flat structures can nonetheless apply to matrix structures. In this context it means that both the lateral and vertical components have a minimum number of layers.

Categories of staff

The second strategy relates to the imputed status of various groupings of staff. For example, it is important that the organisational structure does not imply a distinction in status between teaching and support service staff or within these groupings foster any forms of staff demarcation.

Career paths

The organisational structure should also be such that any individual member of staff can identify a career path, if possible one that allows career mobility right to the top of the organisation. A flat structure assists with this.

The informal structure

In some organisations the structure is nothing more than symbolic, that is to say, a completely different power structure operates in practice than exists in theory. This can occur for many reasons:

- failure by management to deal with ineffective staff who do not contribute to the organisation in a way which is consistent with their relative seniority;
- the assumption of a power position by a relatively junior staff member with tacit acceptance by management;
- management disregard of the line structure in such a way as to interfere with the reporting relationships of subordinates;

- anomalous allocation of duties and positions on the organisational structure, for example, placing a staff member on a junior salary at a senior level of the structure or vice versa;

- any examples of preferential treatment of individuals which can be interpreted as favouritism by staff as a whole.

The VTC manager should guard against this situation as one which will damage credibility with employees.

These are some of the strategies which it might pay the VTC manager to give attention to.

The senior team

As already alluded to, the chief executive of the VTC can function as a sole operator or as part of a team with other senior managers.

Clearly, there will be times where, as the spokesperson for the VTC, it is appropriate and indeed expected that an independent role be adopted. This is especially, but not only the case, when operating in the external environment.

However, with respect to the day-to-day management of the centre, there are considerable advantages to be gained from operating as a team with the second layer of management.

In doing so the manager:

- sets an example for a team approach as a way of encouraging this to flow through to the rest of the organisation;

- has access to a better information base for reaching quality decisions by tapping into the combined wisdom of all senior managers as a matter of course;

- fosters joint responsibility for problems and increases the likelihood that issues requiring attention will be identified and addressed at an early stage;

- encourages ownership of decisions made by involving those who will be required to initiate their implementation;

- ensures a positive conduit to sub-ordinate staff as decisions reached collaboratively are more likely to be promoted by senior managers;

- adds incentive for decisions to be implemented since there has been a team commitment to them;

- extends staff development opportunities to senior managers who have on-going direct exposure to all aspects of managing the centre;

- guards against individual competitiveness which might otherwise neutralise the team;

- ensures all senior managers are kept well-informed of the key issues of the centre and can deputise if required at any time — an informal form of succession planning;

- releases the chief executive to perform external functions through facilitating the capacity to delegate;

- fosters mutual respect amongst the senior team and engenders loyalty.

These issues are consistent with the human resource development management themes explored in Part 1. They are sufficiently compelling to outweigh any disadvantages which might arise, such as a possibility that the decision-making process might be prolonged or that the chief executive might sometimes have cause to regret foregoing sole control.

Development of policies and procedures

In their most commonly used organisational sense and for the purposes of this book, a *policy* is a set of principles providing guidelines for action on a

specific organisational matter, and a *procedure* outlines the actual operational steps which are to be undertaken in implementing this action.

As already alluded to in earlier sections of this part, the development of policies and procedures will be greatly facilitated if a framework of goals already exists on which to base the policies. If the development of draft policies and procedures is seen as a series of consecutive steps as outlined in Figure 2.3, the mission statement and goals can be seen as the crucial first step in that process.

Consider for example, a policy on the specific issue of student discipline. This might be developed in the context of firstly, the mission and goals and secondly, broad principles that apply to all policies regarding students.

The mission will include statements which determine or imply the approach of the VTC towards its students. Appendix 2.2 (Broadmeadows College of TAFE: Vision, Mission, Values and Guiding Principles) includes such statements:

Values

- accountability to customers
- probity and integrity in all transactions

These values set the scene for a policy.

The VTC might then consider a range of principles which would apply to all policies regarding students. For example:

- The college will be student/customer centred in all its functions. The design, implementation and alteration of policy and procedures will be undertaken with the needs of students/customers considered foremost.

- Students will be provided with the support necessary to achieve their individual goals, and enhance their chances of course success.

- The college environment will be such as to encourage students to participate in and contribute to college, community and working life.
- The college adheres to the principles of adult learning.

Step 1 Develop a mission statement and goals.

Step 2 Select those statements in the mission and goals (or similar) which impact upon the policy area being considered.

Step 3 Identify further specific principles which refer directly to the policy area being considered and which are consistent with the goals identified in step 1.

Step 4 Determine the implications of these goals and specific principles for the area being considered and develop a draft policy accordingly.

Step 5 Translate the policy statement into appropriate action and develop procedures accordingly.

Step 6 Undertake a consultation process which ensures that those affected by the policy and procedures have input into its finalisation and endorsement.

Figure 2.3

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- The college learning environment shall be such as to facilitate the learning of the maximum number of students without interference or disturbance from others and to encourage students to respect and protect the rights of others.

- The college's standing in the community is considered an essential element of promoting participation in post-secondary education. It includes standards of student behaviour and standards of college property.

From these principles the policy and procedures will fall logically into place.

The importance of the consultation process referred to in step 6 of Figure 2.3 cannot be overlooked. The implementation of policies and procedures will be a great deal smoother if those affected are consulted. Figure 2.4 provides an example of how the VTC manager might structure the consultation process.

None of the above is to imply that the VTC should become overburdened with lengthy and detailed policies and procedures. The steps outlined in Figure 2.3, by concentrating on principles rather than on detail, are intended to ensure that the final policy statement will be short and succinct. In some instances, the existence of a mission statement and goals (or equivalent) alone will obviate the need for further policy development. Unnecessary and overly prescriptive policies are to be avoided.

However, there are issues, particularly ones which are likely to arouse emotion or divisiveness, where the existence of a policy is a definite asset. This is so for a number of reasons:

- it defines at the outset the roles, rights and responsibilities of all parties involved;

- it provides an objectively thought out approach on how to deal with the issue;

- it assists in ensuring consistency in the way similar situations are handled;

- it demonstrates the commitment of the VTC to proceeding in a planned and open fashion.

These benefits provide the VTC manager with an indication of the types of issues which are best handled through the consistent application of a policy.

Storage of all VTC policies and procedures in a consolidated manual facilitates easy reference and updating. This is best ensured by assigning responsibility for the manual to a designated member of staff.

Decision-making processes

Decisions of one form or another are constantly being made in every VTC.

Some may be reached through applying policies or procedures. For example, decisions on staff recruitment would usually be reached in this way.

Others, however, are once-only decisions which emerge with particular circumstances. But sometimes what appears to be a relatively insignificant and isolated decision will end up in fact setting a precedent for issues of far reaching consequence.

It follows then that the effective VTC manager will have an approach which promotes the likelihood of decisions being sound. There are three particular strategies that are suggested here:

Focus on desired outcomes

The first step in reaching a decision is to focus on the outcomes to be achieved. Generally speaking, if the outcomes are considered in terms of the best interests of students/customers or those of the VTC, a sound framework will be established.

Policy development and consultation flowchart

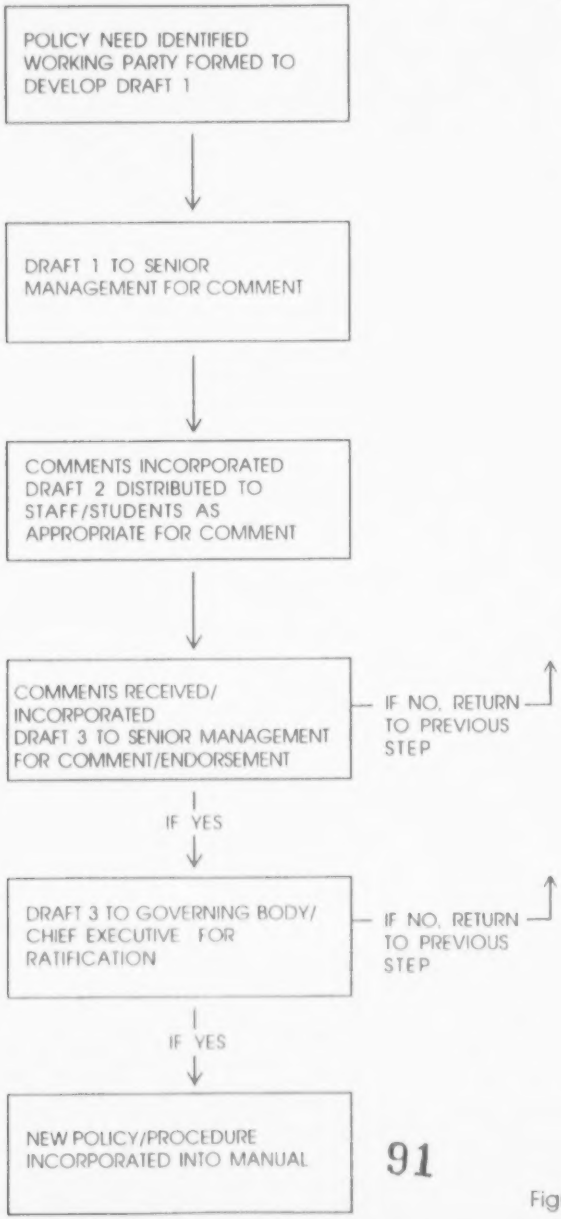

Figure 2.4

Establish key principles

In a similar way to that outlined in 9.3 above, the identification of specific principles related to the desired outcomes will facilitate reaching the best decision.

Adopt a team approach

Depending on the nature of the decision, different team configurations may be appropriate.

Reaching a decision on program resource allocation may be facilitated by working with the senior team.

An ad hoc team with specific expertise may be the best approach for reaching a decision on the purchase of highly technical equipment.

One or two key trusted people may need to be consulted in reaching a decision on, for example, a sensitive staffing issue.

The quality approach also offers the opportunity to establish quality improvement teams which consist of a small cross-section of staff selected, regardless of their position in the organisational structure, for their expertise on a particular area and in whom the authority for reaching a decision is vested.

The VTC manager will often be faced with decisions which can be made quickly and intuitively and which will not give rise to any contention. However, other decisions are far more complex and can at first appear unsolvable. The manager who utilises team approaches in a flexible manner, focuses on the desired outcomes and clarifies the relevant principles, will usually find the decision falls logically and unanimously into place.

Delegation

There is much about delegation that has already been implied in earlier sections of this book. The topic has also given rise to much written commentary (refer Appendix 1.2 Further Reading — Human Resource

Management). However, a number of specific points are made in the context of the theme of this section.

In keeping with Total Quality Management principles and the experience of successful human resource managers, day-to-day operational decisions are delegated as far as possible to the operational level.

As referred to above, delegation of decision-making is also integral to the concept of quality improvement teams. An issue or problem is identified and the team is delegated the task of resolving/solving it.

In other instances, responsibility may be delegated to individuals.

Whatever the scope of the delegation, the VTC manager needs to recognise that delegation, trust and communication go hand in hand. There is no point in delegating a task or function if, in anything other than absolutely exceptional circumstances, the manager wants to reserve the right to intervene in the process or ignore the recommended action at the end. Delegation on this basis is a sham and will be recognised as such by subordinates.

It is therefore in the best interests of the manager to ensure that the person(s) or group to whom a task or function is delegated has/have maximum information to underpin the best possible result.

Since communication and trust are two way, the manager can in return expect that, having delegated a task, any extraordinary developments will be communicated and that the delegated responsibility will in fact be followed through. It is not unusual for a subordinate to seek to 'delegate upwards' when things start to get too difficult. In such cases the manager must balance the notion of giving support with allowing the subordinate to opt out of responsibility.

A similar situation applies with teamwork. For teams to be effective they must have access to information and they need the ability to proceed with their work and develop recommendations without intervention. If, in a rare case, recommendations are rejected or modified, the manager should explain why and so turn the situation into a learning process.

2.6 The manager as corporate advocate and spokesperson

Corporate citizenship

In most instances, the VTC is an important and visible part of the local community. Hence, at least to some extent, the community has a stake in the VTCs performance and reputation.

For this reason, it is imperative that the VTC manager ensures that the centre sets an example of corporate citizenship, just as large companies are expected, and increasingly strive to do.

Corporate citizenship may involve:

- maintaining the buildings and grounds of the VTC at a high standard;
- making the VTCs facilities available for community purposes and doing so at an affordable or minimal cost;
- initiating or sponsoring events that will assist the community;
- co-operating closely with other agencies in the community on matters of mutual concern.

It is always worth bearing in mind that issues may arise which have the potential to cause a rift between the VTC and the community. Where the VTC has a record of good corporate citizenship, these issues will more readily be resolved.

Political networking

Depending on the circumstances of the VTC, the term 'political' may have different connotations.

For the purposes of this book, however, 'political' refers to any person in a position of power or influence with respect to the VTCs position or future. This will vary with different VTCs, but it includes party political

representatives or officials; people who have been elected or appointed at all levels of government from local to national; as well as leaders and officials in various other bureaucracies, especially those associated with funding for the VTC. It may also include industry spokespersons, journalists and media personnel.

The nature of a VTC, being concerned with the development of vocational skills for certain groups of the population, is such that there will always be a political involvement within this definition, and it will always include party political aspects to a greater or lesser extent.

It is essential that the VTC manager develops a strategy to obtain the best result for the VTC from this process. The term 'networking' is used here quite intentionally to convey a two-way process.

It is argued that it is a mistake to think of the strategy as one-way, that is, that the VTC only seeks to derive as much benefit as possible for itself. If the VTC managers constantly seek their own ends, people in positions of power will quickly tire of dealing with them.

A far more effective approach is to operate on the basis that in order to get positive treatment, the VTC might offer something in return. If the VTC manager can identify ways of using events and activities at the VTC to give the spotlight and, if appropriate, credit to those in positions of power, there will be reflected glory for the VTC as well as a basis for a predisposition on the part of those concerned to assist the VTC in future.

This is illustrated by the following basic pointers:

- Identify those persons with the most influence on, or capacity to influence the VTC, say 10–15 people.
- Develop a strategy to get to know each one of them personally.
- Maintain the contact by keeping them regularly informed of notable events and achievements at the VTC, in writing if necessary.

- Keep informed of the issues which are likely to be of greatest concern to them and display a knowledge of and perhaps interest in them, if appropriate.

- Look for activities, events or accomplishments of the VTC which can be used to give them a forum.

- Invite them to participate and take on the work of making it a success; always regard them as doing the VTC a favour.

- Closely brief them on all aspects.

- Anticipate any problems or hurdles and address them in advance or develop contingency plans.

- Study meticulously and observe rigidly all political protocols at all times (e.g. forms of address, order of speakers), erring on the conservative side if in doubt.

- Reserve requests for reciprocal support for those with whom a rapport has already been established and to situations which are strongly justifiable and critical to the VTC; do not waste their time with trivial or unwinable issues.

- Be discerning in selecting people to assist in lobbying for a particular cause, both in who is chosen and how frequently they are called upon, ensuring if possible that they too have an interest in supporting the desired outcome.

- Keep issues of VTC concern in realistic perspective — exaggerating them will not help the cause.

- Resolutely avoid taking or being seen to take a party political stance on any issue and concentrate only on the best interests of the VTC; personal opinions are just that.

In the event that any of the above sounds manipulative or aimed at ingratiation, it must be borne in mind that it is relies on the VTC indeed being a centre of excellence and quality and proudly in a position to

promote itself. The points above are nothing more than suggestions on how to capitalise on this. Further, they acknowledge the extensive time pressures on persons in positions of power and the folly of assuming to make demands on this time without good cause and mutual benefit.

Public speaking

Excellent public speaking skills are a necessary part of the arsenal of every VTC manager. This is especially the case for chief executive officers, who are frequently required to exercise these skills as part of their normal duties.

It is widely and not entirely unreasonably assumed, that persons involved in the teaching/training sector will have acquired public speaking skills in the normal course of their duties. After all, the teaching/training process does require the ability to communicate to groups.

It is for this reason that some managers who have had experience in teaching/training tend to assume they have already mastered these skills. However, as experience demonstrates, it does not always follow that excellence in teaching/training automatically translates to excellence in public speaking of the kind required of the managers to whom this book is directed.

It is worth briefly examining the distinctions between the two forms of public presentation.

When engaged in public speaking, the VTC manager is exercising a corporate responsibility with a focus on advocacy and entrepreneurship. This involves dealing persuasively and even passionately with people at all levels. They range from heads of state, through senior government personnel, heads of funding agencies and the media, to students. It might require the ability to make an impression in a limited time-frame. In some instances, the future of the VTC may hinge on what is said. It may also demand speaking at short notice or under considerable pressure.

While there are obviously some similarities with the teaching/training situation there are also many contrasts. In the latter situation there is to some extent a captive and attentive audience. At least part of the role is

two-way and includes imparting and exploring information, facilitating discussion and debate and eliciting ideas from others. Even the straight lecture role is to some extent discursive. Should someone who adopted a purely didactic approach to teaching apply this to public speaking, the result would clearly be adverse.

Hence VTC managers are cautioned against complacency in assuming they have acquired public speaking skills and urged to self-critically examine how improvements can be made.

Usually public speaking skills only become really polished as a result of extensive experience and practice. It is therefore well outside the bounds of practicability or the scope of this book to attempt to explain or impart these skills in any detail.

Just three sets of general points are touched on here as a basic list of imperatives for public speaking and therefore as possible ares for improvement where these skills are lacking.

Preparation

- Make preparation a priority.
- Research the subject matter.
- Develop original views/thoughts on the subject matter.
- Research the audience and the style/type of occasion.

Style

- Develop and cultivate a personal and comfortable style.
- Demonstrate respect for and engage the audience.
- Be informed and passionate about the topic.
- Contribute to the total event.

Delivery

- Master the art of good voice production without having to rely on a microphone.
- Master all aspects of technology associated with public speaking.

- Learn to deal with all forms of interruptions and minor crises skillfully.
- Field positive and negative questions with equal confidence.

Further reading on this topic is included in Appendix I (Appendix I: Further Reading — Public Speaking). Actual experience is a must.

Personal presentation

Because of the capacity of the issue of personal presentation to arouse contention with respect to individuals' value systems, there are always certain sensitivities about raising it. Further, individual differences and tastes generate a diversity which most people value and which forbids the prescription of any set rules.

However, it is widely agreed and it is confirmed by experience that personal presentation has the potential to significantly determine the impact a manager makes. This demands that the issue, however uncomfortable, be frankly addressed.

Some might consider that personal presentation pertains to issues such as speech, dress, grooming and deportment. Inevitably it does to some extent, but it is when it is reduced to only the most superficial aspects of those considerations, that clashes in values arise.

The approach taken here is to consider personal presentation in the context of the view of the VTC manager that is promoted in this book. This can be readily extrapolated from previous sections as a summary of attributes which make up an exemplary VTC manager. To provide the context, it is worth reflecting on the attributes addressed to date.

The exemplary VTC manager is:

- professional, competent
- committed to excellence, quality and innovation
- an entrepreneur
- a passionate advocate for the VTC
- attuned to trends in industry

- a skilled communicator
- dedicated to the advancement of VTC staff
- ethical, accountable
- politically astute

Assuming that most VTC managers would have at least met minimum requirements of personal presentation in order to achieve their current position, the question arises as to whether there is room or grounds for improvement. Here improvement is related to matters that the VTC manager is in a position to control, not matters which require particular or extraordinary personal skills.

Having regard to the attributes described above, the following descriptors compare minimum requirements of personal presentation with those that an exemplary VTC manager might aspire to.

Minimum Requirements	**Possible Alternative**
• neat, tidy	• immaculate
• presentable	• impressive
• conforms to internal group norm	• keeps pace with industry best practice
• attired as one of the team	• sets the standard
• dresses up for special occasions	• always dressed for any circumstance

Ultimately these are personal decisions based on personal style and values. However, it is incumbent upon all managers to explore any avenue which might enhance effectiveness in the position.

2.7 Summary

Implicit in this part is the view that the vocational training sector can gain significantly by drawing lessons from the current trends in industry. While this applies both at the local VTC level and in the broader system sense, the focus has been on the strategic elements of managing a VTC: its capacity for planning, leadership and advocacy. These are important ingredients in what is loosely described as the planning and leadership framework, which provides the basis for all other operational actions and decisions.

This book only provides the scope for a brief overview of some possible strategies. While there are real limitations on VTC managers with respect to the paucity of best practice models in the vocational training sector and the availability of appropriate planning information and data, this can also be seen as an opportunity for entrepreneurial and innovative managers to use industry experience and break new ground in vocational training.

Part 3

Managing the functional elements

3.1 Introduction

As referred to repeatedly throughout Part 1, a strategic plan with all its component parts is the source for all other planning in the VTC and the basis on which the operations of the VTC can proceed.

This is addressed in more detail and demonstrated conclusively in this part. Each of the functional elements is dealt with in turn, the management of programs and services and the management of resources:people (human resources), facilities and finance.

3.2 Program and service management

Managing the present and planned future program profile

The term 'program profile' is used to describe the array of programs that the VTC offers, with particular emphasis on the range of subject disciplines and levels of study.

The program profile is a key feature of the centre's marketing image. The nature of the program profile may strengthen or weaken the competitiveness of the VTC. Typically, program profiles which enhance competitiveness have some or all of a number of features, such as those listed in Figure 3.1.

Depending on the mission of the VTC, managers can consider these and any other appropriate features as part of present and future planning.

Balancing program cost and demand

Following from the above, the two-by-two matrix in Figure 3.2 draws attention to some important issues when determining the program profile. It will be seen that a series of options is available to the manager. The cost factor is discussed in terms of the cost to the VTC, regardless of the ability to pass that cost on to the customer. The demand factor refers to demonstrated demand from customers.

High demand, low cost

Programs in this category are both financially and educationally viable and are therefore prevalent in many VTCs. Competition for these programs is often high.

Ten features of a competitive program profile

1. **A strong base of programs in high demand**
   (ensures strong student numbers and a constant source of income e.g. through fees, grants)
2. **A recognisable core of specialist programs which are identified specifically with the VTC**
   (constitutes a marketing edge)
3. **Identifiable interrelationships between different subject and specialist areas**
   (maximises program and staffing synergies and economies of scale)
4. **Clear links to industry, including local industry**
   (enhances relevance of curricula, improves employment prospects for graduates, assists the currency of staff skills and provides a potential objective and powerful support base for the VTC with funding bodies)
5. **Relevance to salient features of the local community**
   (promotes local acceptance and support of the VTC and boosts enrolments)
6. **Potential for vertical and horizontal articulation between programs**
   (optimises opportunities for students and demonstrates sound educational practice)
7. **Correspondence of programs with the priorities of funding bodies**
   (promotes VTCs reputation for political acumen and protects funding base)
8. **Responsiveness to disadvantaged students and areas**
   (demonstrates commitment to principles of equity of access)
9. **Maximum diversity and scope across program offerings**
   (exploits all possible strengths of the skills base of the VTC and discourages competitors from entering into the same market)
10. **Inherent financial viability of programs**
    (balances high and low cost programs to ensure the overall program profile is affordable)

Figure 3.1

Balancing program cost and demand

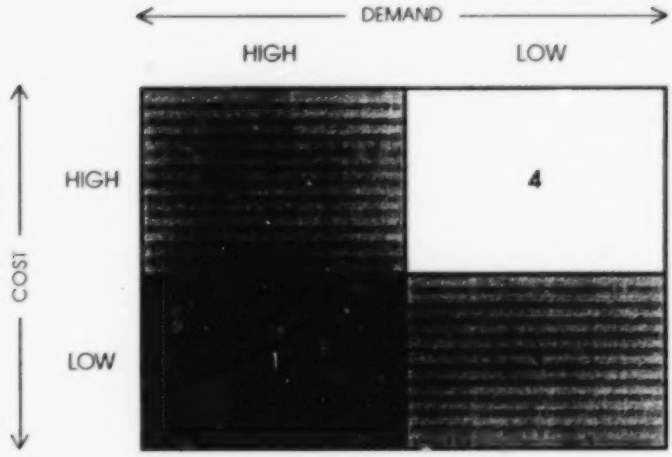

Figure 3.2

High demand, high cost

Programs in this category are also viable but since comparatively fewer programs can be mounted, fewer students will be catered for relevant to other areas. Since specialist programs often fall into this category, most VTCs will offer a limited range of them. Competition for these programs is tempered by the cost involved.

Low demand, low cost

On the face of it, there is little to lose by mounting programs in this category, which often includes programs in response to community service obligations. However, a note of caution may be appropriate with respect to dealing with them. Sometimes low demand is misleading and may mean a high demand from a small group with specific needs. This

may lead to other specific groups expecting programs to be mounted too, or pressure on the manager if at some stage the demand does not justify the cost. Competition for these programs will usually be minimal.

High cost, low demand

Programs in this category will usually have a strong emphasis on community service obligations and there are certainly instances where they are justified for this reason. Managers however, need to be aware of the cost implications of mounting these programs and monitor them accordingly. Their nature is usually such that they do not attract competition.

The purpose of identifying these categories is not to imply that any of them should be avoided. There will be circumstances where each of the categories is appropriate or even necessary.

Rather, as alluded to in Figure 3.1, the intention is to accentuate the fact that a strong element of high demand/low cost programs will help to support or subsidise programs in the other categories, where decisions have been made that these are warranted.

It is therefore essential that individual programs be accurately costed so that program decision-making is based on both educational and financial grounds.

Quality of vocational curriculum

Curriculum is a major product of the VTC and it follows from earlier sections of this book, particularly from the context in Part 1, that *quality* is the key curriculum issue for the VTC manager.

Regardless of whether a short course, customised training program or credentialed course is being considered, the following elements are part of the quality process:

- analysis of skills and competency standards required;

- design of learning programs aligned with these skills and competency standards and identification of associated resources;
- validation of competency standards: accreditation;
- implementation/delivery of training programs appropriate to learners' needs;
- evaluation and validation of the training program.

With the exception of implementation/delivery, arrangements differ as to where responsibility for these elements of curriculum rests. For example, central or even national agencies may be responsible for all of the other elements or there can be a mix between a central or national agency and the VTC. There are also differences in the extent of mandatory or voluntary involvement of industry in the process.

The more responsibility rests at local or VTC level, the greater will be the extent of the manager's control over quality. At a minimum, this can be addressed through the use of flexible teams or through formal structures such as a Board of Studies. A quality program similar to that described earlier is a more comprehensive approach. It is essential that VTC managers satisfy themselves that optimum quality processes are in place.

A different situation exists with program delivery, where the VTC is clearly responsible for the quality of all aspects, including:

- flexible entry and exit points
- recognition of prior learning
- learning strategies and delivery modes matched to learners' needs
- staffing
- facilities and equipment
- student administration and support

Again quality programs and measures using various performance indicators can be applied. Increasingly, more sophisticated measures are being sought to measure performance involving a range of targets such as teaching hours, class sizes, completion rates, and other data.

A major determinant of quality in this respect is also cost. However, the relationship between the two is not as straightforward as might superficially appear to be the case and as staff are sometimes prone to argue. That is, it

is not necessarily the case that reduced levels of spending have an adverse effect on quality or that increased levels of spending automatically enhance quality. For example, quality can be maintained or improved at reduced cost through economies of scale, improved productivity, or continuous improvement processes. Or there may be a conscious decision to mount or continue a relatively high cost program in order to establish it or to honour an obligation to students.

On the other hand there is a very real danger that quality will be jeopardised if there is undue emphasis on restraining cost.

The task of balancing cost and quality is a further important responsibility for VTC managers.

The scope of this book is such as to only allow a brief overview of some of the quality considerations in the design and delivery of vocational curriculum, consistent with the main themes outlined previously. The literature on this area is extensive and would justify a separate book in its own right. (Refer Appendix 1.6: Further Reading — Vocational Curriculum Design and Delivery).

Involving industry in program decisions

Apart from industry's obvious status as a major customer, there are many reasons why involvement of industry in program and associated resource decisions is advantageous for the VTC. The individual situation in each VTC will determine the exact nature of the industry involvement, that is, whether it has *advisory* or *directive* status. Since industry's time is valuable and occurs at the expense of other activities, it follows that the more binding is its advice on the VTC, the more likely it will continue to be proffered. In any event, that involvement will not be sustained unless there are clear benefits for industry in the process.

The term 'industry' is used in a number of different senses, ranging from the general to the specific. This includes:

- industry as a whole, which includes all the companies and enterprises which produce goods and services;

- common groupings of companies engaged in the production of similar goods and services, for example, the hospitality industry or the fishing industry;
- an individual company or enterprise.

Any one or all of these definitions might be applicable in subsequent comments and will depend on the particular circumstances of the VTC.

There is a significant range of program and associated resource decisions, for which there are mutual benefits to be gained for the VTC and industry as a result of industry's involvement. Each area is dealt with in turn.

Overall program priorities

Often a VTC is open to criticism about its priorities. By involving industry, the VTC shares the onus of responsibility for these priorities and is better able to balance them. Industry, on the other hand, has the benefit of putting its view and is privy to the reasons why its needs can or cannot be met.

Curriculum content

Curriculum content which is relevant to industry's needs assists the currency of skills amongst graduates and potential future employees of industry.

Accreditation

Involvement of industry in any curriculum accreditation process formalises its support of the program. This assures industry of the existence of quality control mechanisms, such as review, moderation and evaluation, while at the same time assisting the VTC with the marketing of programs.

Delivery options

Left to their own devices, training institutions are sometimes inclined to make decisions about delivery options on the basis of administrative convenience or cost. Industry on the other hand may have other more customer oriented criteria, such as suitability of location, time and delivery mode. The presence of industry assists in ensuring that decisions are based on customer requirements.

Fee-for-service opportunities

Clear mutual benefits derive from industry having its specific training needs met and the VTC having the opportunity to obtain that business.

Staff selection

Subject to any existing selection procedures, industry participation in staff selection for the VTC can be most beneficial. For entirely new program areas, the VTC does not always have the necessary expertise to select appropriate staff. At the same time, industry can have heightened confidence in the calibre of the teaching staff if included in the selection process.

Equipment selection

Where the VTC is in a position to make its own equipment purchase decisions, involvement of industry can be invaluable, not only in ensuring that equipment most appropriate for training purposes is purchased, but also that the best purchase options, particularly from the point of view of cost, have been identified. There will also be instances where industry is in a position to donate, lease, lend or supply equipment on otherwise favourable terms. Industry, on the other hand, has the advantage of knowing the equipment is suitable or, in some instances, of being able to gain company promotion from donations or other subsidised arrangements.

Given earlier comments in Part 1, it is essential that the VTC has procedures in place to ensure accountability, where any favourable arrangements are entered into.

Facilities design

Again assuming that the VTC is able to determine or influence the design of buildings and facilities, input from industry may prevent costly mistakes or inefficiencies. It is in the interests of both the VTC and industry to avoid this.

Financial, administrative and educational support services

Different VTCs have different requirements for, and capacity to afford, the support services applicable to education and training provision. These services exist to enable the VTC to respond to the requirements of:

- the internal management function
- students/customers
- staff
- funding bodies
- government/government policy

Clearly, the more complex the program profile, the greater will be the requirement for associated support services.

In so far as these services exist to support the teaching/training function, there is a relationship between program quality and the provision of support services. While this is difficult to measure precisely, it is clear that there are limits to the extent to which it is possible to economise on support services without jeopardising program quality. For example, utilising trained teaching staff to do low-level administrative tasks is false economy, as is utilising them to do high-level tasks for which they are not qualified. Yet managers, and sometimes funding bodies, still often fail to recognise this.

The issue of the appropriate ratio of support services to program provision is relevant in this context. This can be measured in terms of total budget or equivalent full-time staff commitment. It is not uncommon for universities to maintain a ratio of around 50:50 — on either measure. Given the contribution of vocational training to the skills base of the nation, it can be argued that VTCs demand a comparable level of support. While there is no fixed formula, conventional wisdom has it that for a medium to large multi-discipline centre a ratio of approximately 60:40 (teaching staff:support staff) is a reasonable guide.

Appendix 3 illustrates how these services might be distributed in VTCs.

Multi-campus operations — principles and pitfalls

There are many reasons why VTCs might operate from a number of different locations or campuses. A major one is the need to bring training within geographic access to as many people as possible. Particularly, but not only in remote areas, this can lead to some campuses being relatively small. Where there is a proliferation of campuses and particularly small campuses, there is a danger that they will be marginalised from main campus activity. This can manifest itself in a number of ways, all of which potentially erode quality.

Careful attention to the management of campuses will ensure these issues do not arise. A number of principles with demonstrated effectiveness is therefore presented for consideration.

Management responsibilities are precisely defined with clear distinctions made between program management responsibility and responsibility for day-to-day operations at campuses.

Pitfall: Role confusion and possibly inappropriate use of personnel can easily occur otherwise. This may lead to duplication or, on the other hand, no-one assuming responsibility for certain tasks.

Program profile decisions are made centrally and at senior level.

Pitfall: If program profile decisions are made at campus level, overall VTC priorities will not necessarily be balanced or sufficiently rationalised. However, campus personnel should contribute to these decisions.

Wherever possible, each individual campus assumes a unique program or target group characteristic

Pitfall: Funding bodies are usually loathe to fund what might be seen as 'more of the same'. Establishing a unique characteristic at each campus assists in ensuring its continued viability.

Program management is corporate, that is, there is single responsibility across like programs, regardless of the campus location.

Pitfall: Cross centre quality control and consistency of programs is best achieved by consistent management responsibility.

Support services are centrally managed, even if personnel are dispersed across campuses.

Pitfall: Different and incompatible systems and practices might otherwise occur, for example, student administration, payroll and staff development.

Budget responsibility (where appropriate) is corporate and aligned to the program and service support responsibilities.

Pitfall: Budgetary decisions taken in isolation from overall program and support service considerations are counterproductive.

Communication processes are designed to ensure a speedy flow of information to and from the main campus and between campuses.

Pitfall: The absence of communication quickly causes inefficiency and frustration.

Tasks associated with day-to-day campus and inter-campus operations are specified and responsibilities allocated accordingly.

Pitfall: The many grey areas of day-to-day operations can easily be confused or overlooked unless this occurs.

The level of all programs, support services and facilities is maintained at a consistent standard across all campuses.

Pitfall: Where standards vary, differential status perceptions will arise with respect to the various campuses, implying an acceptance of different quality standards in the VTC.

Identifying program and service 'products': marketing opportunities

Reference to the marketing principles already outlined in Part 1 (refer figure 1.7) provides a good basis for exploring further the marketing potential of VTC program and service products.

As with any successful company, the strength of a VTC lies in the extent to which it can sustain its competitive position with respect to its competitors or its own past performance.

Firstly, there is the issue of *market penetration*, that is, maximising the potential of current products and markets. At a minimum, it makes good sense to obtain optimum benefit from those areas that the VTC already excels in.

Improving market penetration may mean intensifying efforts to promote existing programs and services. Typically areas of excellence emerge where there are outstanding and committed staff. Capitalising on their work highlights their efforts and is a well-deserved tribute to them. This may involve identifying areas of excellence in programs and services for 're-packaging' and promoting in the same way as this occurs in industry.

Secondly, there is the option of *market development* (existing products/services for new markets). For example, programs might be marketed to other parts of the country or overseas. As a starting point, programs in the high demand/high cost category can be considered. Since they usually represent the specialism of the VTC and cost prevents them from being widely available, they can provide a market development opportunity for the centre, provided they are properly promoted. Other program areas where the VTC excels might likewise be singled out.

Further, there is certain to be expertise in support service areas which can be marketed. Examples might be as straightforward as an excellent printing service or as specialist as a personnel consultancy. While these might normally operate internally only, they may find new markets outside the VTC.

Thirdly, there is the area of *product/service development* (new products/services for existing markets). Obviously, areas of excellence can be built on to create new products to suit the existing market. There may also be areas where the VTC may not currently have expertise but where a strong demand is known to exist. There will be circumstances which warrant the re-ordering of priorities in such a way as to ensure the necessary investment can be made to ensure this expertise is acquired, especially where it represents leading edge or innovative activity. This will ultimately be a matter of judgement by the VTC manager, involving some risk, but also significant status if successful.

Finally, the VTC can consider *diversification* (new products/services for new markets). This is typically held to be the most demanding and complex area. The governance and funding arrangements will determine the individual VTCs capacity to explore diversification. Although of necessity it requires caution, diversification provides an appealing challenge to the entrepreneurial manager.

All of the above points are not to be confused with across the board marketing of the VTCs capabilities. It will be noted that emphasis has been on developing areas where the VTC excels. Unless excellent areas are accurately targeted, the result may be to damage the VTCs reputation.

Provided the manager approaches marketing carefully, there are many advantages to be gained, some of the most obvious ones of which are:

- promotional opportunities for the VTC
- additional income
- increased recognition of staff skills
- incentives for innovation amongst staff
- added emphasis on quality

3.3 Staff management

Job design and staff selection

The key to the achievement of the mission and goals of the VTC is its people. Each individual has a role to play which can contribute more or less depending on:

- how thoroughly the VTC defines the skills and competencies it requires to achieve its mission;
- how accurately the VTC matches individuals to those skill requirements;
- how clear the individuals are of what is expected of them.

These are achieved through the development of individual job or position descriptions and selecting or appointing the best person to fill them.

Position descriptions

It follows from the above and it will be elaborated on further later in this section, that every employee should have an individual position description. A clear and comprehensive position description will assist the individual staff member and management in achieving the goals of the VTC.

Figure 3.3 outlines some elements which could be considered in developing a position description. The level of detail required in the position description will vary according to such influences as the industrial relations climate within which the VTC operates, the complexity of the staffing and organisational structure and the degree of control the VTC exercises over staff appointments.

It is particularly highlighted here that the emphasis on competency-based approaches to vocational training are giving rise to the view in some quarters that, to be consistent, the skills required for staff in the vocational training sector should also be expressed as competencies.

Elements of a position description

1 The position's place in the organisational structure
(the vertical and lateral relationships to other positions in the structure and the reporting relationships)

2 The reporting relationships
(the supervisory responsibilities associated with the position and the relationships which are required to achieve success in the position)

3 The primary objectives of the position
(a concise summary of the importance of the role in achieving the mission of the VTC)

4 Prerequisites for the position
(the skills, attributes, competencies or qualifications required)

5 A list of specific duties
(the typical routine activities of the job)

6 Any targets or outcomes which are required to be achieved
(student, program, financial and other resource targets and outcomes)

7 Key selection criteria
(the criteria which will be used to discriminate between potential applicants for the position)

8 Salary and other terms and conditions
(accurately described together with the provisions by which these might alter or be renegotiated)

Figure 3.3

Staff selection

Staff selection processes will vary widely depending on the different levels of control vested in the VTC. This will range from staff being assigned to the VTC from an outside authority to high levels of local autonomy, and from highly regulated to unregulated processes.

It is asserted that local control of staff selection within locally regulated guidelines is the approach most consistent with the human resource practices which have proven most successful in industry and will provide the VTC with the greatest capacity to select the best staff.

On the basis of that assertion, the following principles of selection are presented for consideration at local level:

The position description must be clear and documented.

It should be clearly linked to the VTCs mission and goals and available to all applicants.

The selection process must be openly communicated.

This might specify under what circumstances a selection panel is to be formed or the VTC reserves the right to appoint; or the availability of any appeals process.

The process must be seen to be fair and objective.

If a selection panel is formed, the membership must consist of people with the skills to make a sound decision, including staff as appropriate. Discrimination must be censured.

The choice must be based on merit.

The successful candidate must be the person best able to fulfil the position requirements.

However, where external selection applies these principles may be outside the ambit of the VTC. The importance of the VTC at least adhering to the

first principle, and having clear position descriptions as a way of exerting influence on the selection process, is reinforced.

Communication and the line management process

The need for open communication with staff is a recurring theme throughout this book. However, particularly in large organisations, it is not easily achieved and must be constantly worked at.

Communication is also a two way process. It involves getting information to staff and allowing them to get information to management, by way of input or feedback.

The reality of human nature is such that individual staff members have different attitudes towards obtaining and receiving information. Some will avidly seek it and others will appear indifferent towards it. However, there are situations where it is critical that communication occurs, regardless of these different attitudes.

An examination of some of the most common ways of communicating with staff and the risks involved in each is instructive:

Display of material on noticeboards

Risk: Not everyone reads the noticeboard.

'Corridor' communication or conveying information on the run

Risk: This relies on individuals passing the information on, is susceptible to some individuals being omitted and may be misinterpreted as deliberately selective communication.

Holding meetings

Risk: Not everyone attends meetings and those that do will not always actively contribute.

Notices and newsletters

Risk: They may just sit in in-trays.

Walking around the VTC

Risk: It is difficult to talk to everyone or to know how representative the views expressed are.

Open door or open book policy by management

Risk: This depends on who utilises the opportunity.

Inviting written comment

Risk: This may not be seen as a priority task by busy staff.

While each of the above methods will always have a place, they illustrate how difficult it is for the manager who is serious about communicating as widely as possible with staff, to find a fail-safe way of doing so.

For this reason, there is a case to be made for building the responsibility for conveying information to and from staff into senior and middle managers' duties through position descriptions. This can be achieved by utilising the line management structure so that there is a flow-on effect through the VTC in both directions.

While there may be those who consider this approach overly bureaucratic, it has several advantages:

- it largely eliminates the risks associated with other methods of communication, such as those listed above, by reducing the element of chance;

- providing the VTC adheres to a flat structure, it can be the most expeditious way of proceeding;

- it provides a safeguard against those managers who confuse power with withholding information, by making them formally accountable for communication with staff;

- it demonstrates that the manager is committed to the flow of information and not simply engaged in token or selective communication;

- it works both ways, allowing management to be confident that information flows through to individual staff and the reverse.

Utilising the line management structure as a way to facilitate the flow of information to and from staff offers a way of building communication into the fabric of the VTC. It is therefore recommended for the consideration of the VTC manager as a way of enhancing any other forms of communication.

Attention is drawn here to the fact that, as outlined earlier in this book, adherence to the line management structure enhances communication flow. Decision-making processes will also take other issues into account.

Professional development

In one sense, all staff in the VTC involved directly in or supporting the teaching/training function have a personal and professional responsibility to ensure they keep abreast of changes and developments in the training sector. In many cases, staff accept this responsibility and actively pursue professional development activities.

However, consistent with its mandate as a training organisation, there is also an undeniable responsibility on the part of the VTC manager to ensure that both teaching and support service staff are exposed in a planned way to new and emerging areas of expertise which impact on the future skill requirements of the VTC.

While funding to carry out this responsibility may be limited, it is inconceivable for a VTC to abrogate it, especially if it aims to be credible with industry.

Professional development is therefore used here as a generic term for all forms of structured training and upgrading of skills and knowledge which directly contribute to and are offered by the VTC.

Organised professional development can take many different forms including:

- initial training in teaching skills
- training programs to upgrade or broaden technical skills (including multi-skilling)
- training programs to enhance teaching skills
- paid leave or release to industry to upgrade skills
- management training programs
- leave to return to study in areas relevant to the job
- staff exchanges
- mentoring and shadowing arrangements
- opportunities for staff to 'act' in promotion positions (internally or externally)
- attendance at targeted conferences and seminars
- membership of, and participation in activities organised by professional organisations and common interest groups

Given the range of skills of individuals, a limited budget and a multitude of professional development options, the question arises as to how the VTC manager can achieve the best results from a professional development program. This involves obtaining the best education and training outcomes cost-effectively.

One proven way to approach this is for each individual staff member to have a professional development plan, negotiated on an annual basis with the immediate supervisor in a positive and mutually beneficial way.

In a previous chapter it was pointed out that the strategic plan forms the basis of other institutional plans. Professional development plans are no exception. The strategic plan, in identifying the directions and objectives of the VTC for the next few years, also provides guidance on the skills development requirements of staff.

These requirements need to be considered along with any skill deficits of individuals concerned in the context of their career prospects and aspirations.

The agreed result will usually and appropriately involve compromises between the needs of the individual and the VTC. While the best interests of the VTC are paramount, what is best for the individual is very often what is best for the VTC.

These individual professional development plans are then used as a data base to inform overall professional development needs. From them, the common themes can be extracted and co-ordinated professional development programs mounted to service the maximum number of people.

The collated professional development plans also provide a basis for judicious allocation of resources. For example, these can be divided between those cross-centre activities that flow from the plans and those activities which are most effectively decentralised. The plans also provide a useful basis for evaluation of the professional development program.

In directing effort towards an effective professional development program for staff, it is easy for VTC managers to overlook their own professional development.

At worst there will be difficult times for VTC managers, when the position appears to be an isolated or lonely one. But even when the centre's affairs are proceeding smoothly, it is essential that VTC managers actively plan for and pursue their own professional development as an important example to staff.

One effective way of doing this is for the chief executive officer and the senior managers to identify some areas of professional development which could be usefully undertaken as a team. One obvious example would be training to address weaknesses of the VTC identified in the strategic planning process, which the centre has resolved to overcome. Other opportunities might evolve around significant changes in powers of the VTC or in legislation.

In addition, the list of different forms of professional development included above applies equally to the VTC manager, albeit with a somewhat different emphasis.

Career paths

In so far as professional development assists to equip staff with enhanced skill levels, it is inextricably linked to career path development. All the different structured forms of professional development already discussed can play a role in positioning staff for a career promotion.

Likewise, as previously discussed, the VTC manager can demonstrate through the organisation structure support for career path mobility of staff.

But it is one thing to have structures and programs in place, and quite another to actively promote the careers of staff members.

The VTC manager who is genuinely committed to supporting staff in their careers will not rely solely on these formal approaches. Three examples of informal alternatives are therefore provided:

Sharing professional networks

> VTC managers usually have well-developed professional and political networks, as a result of the positions they occupy. They can assist staff, particularly immediate subordinates, by making sure every opportunity is used for them to become familiar with and known within these networks. In this way more staff develop a profile outside of the VTC which benefits them and the VTC. It also assists informal succession planning.

Encouraging risks — offering safety nets

Many staff members are reluctant to take career risks. This can be related to financial considerations, fear of failure or other manifestations of lack of confidence. There is a number of ways in which the attuned manager can assist in overcoming this and tip the balance between immobilisation due to lack of confidence and a willingness to take a risk. For example, staff can be encouraged to take a career risk by trying another position without necessarily having to forego their position at the VTC. This is just one form of safety net.

Promoting from within

The VTC manager is in a strong position to abet or obstruct a promotion system which advantages internal staff. In supporting careers of internal staff in this way, the VTC manager demonstrates the commitment of the centre to its staff and increases the likelihood of reciprocal loyalty.

The characteristics of organisations which overtly or covertly discourage staff from pursuing their careers are easily identifiable. They tend to view the provision of opportunities for career enhancement, especially external ones, in negative terms:

- as opening the way for other organisations to poach good staff;
- as a risk in terms of loss of loyalty of staff who might appear to put their own interests first;
- as potentially costly if replacement staff have to be recruited;
- as an administrative inconvenience;
- as a favour to the staff members concerned.

However, the positive aspects of promoting staff career opportunities are far more compelling.

The manager gains:

- a means to foster an image of the VTC as offering opportunities to staff for a career stepping stone, hence attracting other new staff;
- a means to promote an image of the VTC as being richly endowed with talented staff and therefore a challenging and satisfying place to work;
- a means to ensure a mobile and dynamic workforce through positive staff turnover;
- a potential means to contribute to the skills of the vocational training system as a whole.

Experience has shown that staff who are lost through career advancement would probably have left eventually anyway and perhaps have become cynical if they stayed too long. Those who do leave often become advocates for the organisation which has supported them.

Many will also return sooner or later. When they do they bring with them higher skill levels and an increased sense of commitment to the organisation which has a proven record of supporting them.

In summary, an active approach by the VTC manager to supporting staff careers will bring mutual benefits to the centre and the staff.

Staff performance and appraisal

All forms of staff performance appraisal have as an underlying concept that most people enjoy doing a good job and that they appreciate a good job being recognised. However, different organisations have different capacity to reward good performance.

The practice of staff performance appraisal can assist the VTC manager to engender a culture of quality and excellence across the centre, provided good performance is recognised in a systematic and informed way. This

contrasts with intermittent and generalised gestures of appreciation, which may be perceived to be hollow or even manipulative by staff.

Taken to their logical conclusion, staff appraisal systems are linked to remuneration. This typically, but not exclusively, takes the form of a financial bonus for good performance. Such systems are common in industry.

Other recognition systems offer non-monetary or 'in-kind' rewards for staff including negotiated benefits in employment arrangements, such as time off; vouchers, perhaps for books or tools; and other gifts. These do not necessarily need to be of significant value. The key principle is that achievement is acknowledged.

For most VTC managers tangible rewards such as those described above will not be available for the majority of staff. But this is not to say that staff appraisal or performance feedback, both formal and informal, is not a necessary and valuable part of the manager's job.

Appraisal of staff performance needs to occur against a specific benchmark. That is, there needs to be a mutually agreed understanding of the performance that is expected. If the manager attempts to criticise staff for non-completion of tasks which were never made clear, it will give rise to justifiable resentment.

As mentioned previously, the strategic plan provides a basis for performance appraisal, particularly for senior managers. In this approach, responsibility for the strategic objectives and performance targets/indicators comprising the strategic plan are assigned to senior managers as individuals or in teams and their performance is judged accordingly.

For other staff, an accurate position description can provide the basis for appraisal on an individual basis. Alternatively, annual objectives arising out of the strategic plan and negotiated with departments can provide a basis for assessing group performance, providing they are expressed in measurable terms.

In addition, there is potential to identify specific management and other competencies required by the VTC and incorporate an assessment of these

into the appraisal. This takes account of the fact that, if managers/staff fail to achieve on certain performance targets/indicators, this may be as a result of specific skills deficits. These deficits can, in turn, be addressed through the individual professional development plans referred to in the section on professional development.

Depending on the particular circumstances of the VTC, performance appraisal may take place on an individual or group basis. A practical approach is for the performance of senior managers to be appraised on an individual basis, with line staff on a group basis, perhaps by department. But there are many options.

Consideration might also be given to who conducts the appraisal. According to the achievements or skills being assessed, there may be scope for a combination of any or all of the following:

- supervisor appraisal
- self appraisal
- peer appraisal
- sub-ordinate appraisal

Appraisal must be:

- *constructive*, emphasising the skills and achievements of staff;
- *regular*, so that improvement and decline in performance are monitored in a timely way;
- *objective*, identifying both the strengths and weaknesses;
- *interactive*, offering the staff member the opportunity to comment on the reasons for good or poor performance;
- *informed*, using accurate and comprehensive information as a basis.

Although there may be limited sanctions available to the VTC manager to deal with poor performance, recognition of good performance, both as a result of formal appraisal and generally, can substantially counteract this.

In this respect, the practice of recognising good performance in writing is recommended. Specifically, written recognition is effective in cases where:

- an accurate description is given of the achievement and who deserves the credit for it;
- the line management structure is used to communicate the recognition.

By using the line management structure, more people in the organisation are informed of the achievement without the staff member concerned telling them about it. Care is taken to ensure that those deserving credit are those recognised, thus minimising the possibility that contributors will be overlooked and avoiding the risk of a scattergun approach whereby whole groups are recognised regardless of actual contributions.

These approaches generate a considerable degree of peer pressure within the VTC which can have the powerful effect of reinforcing staff who perform and of indirectly reproving staff who do not.

Finally, it would be a serious omission to ignore the demoralising effect that poor performance will have on the VTC, if it is allowed to continue unchecked. That is to say, as much as good performance should be recognised, so too should poor and particularly unacceptable performance be identified, albeit in a different way.

This is an area of management which is often seen as distasteful and which is frequently postponed or avoided until a crisis occurs. But the key is to take action on poor performance as soon as it becomes evident. This reinforces the need for proper policies and procedures which facilitate the process and which ensure the rights of individuals are protected. In many instances, corrective action can be successful and achieve lasting results But there will always be a small number of cases where action must be conclusive in the interests of the VTC as a whole.

Equal employment opportunity

The principles of equal employment opportunity are largely implemented through the VTCs recruitment and selection processes and have therefore

already been addressed to some extent in this book. However, the issue is of sufficient significance to warrant singling out for special attention.

Adherence to equal employment opportunity principles obliges the VTC manager to attempt to ensure that people from disadvantaged groups are represented on the staff of the VTC at least proportionately to their representation in the general community. Depending on the particular circumstances and the mandate of the VTC, the groups could include any or all of the following:

- women
- people with disabilities
- sole supporting parents
- rurally isolated
- racial minority groups
- people without social and functional skills in the dominant language of society
- long-term unemployed

It is recognised that government policy, particularly the state of the labour market, will affect government support in this area. That is, where the labour market is over-supplied government support can be vastly different from situations where the labour market is under-supplied. However, as an educational institution, the VTC may need to consider wider issues in this regard.

Consistent with earlier sections of this book, the VTCs approach to this issue is most appropriately articulated through the policy development process referred to earlier.

Staff accommodation and facilities

While those approaches to staff management which foster a constructive organisational environment have been the focus of this section so far, the physical well being of staff in the VTC should not be overlooked. It also plays an important role in the morale and commitment of staff.

The physical facilities provided for staff by way of space for work and relaxation on the job are a signal to staff of the VTCs view of their professionalism. When space is limited and there is pressure for student places, it is often the staff facilities that suffer. If the staff facilities are not provided for in the first instance, it is often difficult or even impossible to retrieve the situation at a later date. The issue is compounded by the fact that there are typically many part-time, sessional and short-term contract staff working in VTCs for whom it may be impracticable to provide permanent office space.

The following basic principles can be applied:

- A formula allocation of office space and equipment is determined and adhered to as closely as possible.
- Significant discrepancies between the facilities and equipment provided for staff at similar levels are avoided.
- Where there are multiple campuses, consistency is applied across the sites.
- The physical safety of staff is assured at all times and strategies are in place for any unsafe aspects to be rectified promptly.
- There is capacity for staff to host visitors, such as industry representatives or staff from other VTCs, in a professional fashion.
- Where possible, common dining/recreational space is provided for staff of the whole VTC or campus and made sufficiently attractive that staff are encouraged to use it.
- Recreational, sporting and social facilities for staff are addressed, perhaps in conjunction with, or as an extension to, student or community facilities.
- Occasional social events are offered to staff across the VTC from time to time on a voluntary basis. These are organised either by ad hoc committees or by an on-going social committee with some of the events allowing staff to include their families/friends.

The use of these basic principles as a checklist will assist the VTC manager to ensure staff needs are provided for.

3.4 Facilities and equipment

The scope of facilities and equipment management

Facilities and equipment management within a VTC is an extensive and complex role, covering all aspects of planning, implementation and maintenance. This is illustrated in Figure 3.4. Examples of documentation are purely indicative, both in terminology and subject matter, but they do serve to indicate the breadth of responsibility involved.

Depending on the level of authority vested in the VTC manager, varying degrees of responsibility will apply at local level. In some instances, certain aspects may be undertaken by external funding or governing bodies.

However, as indicated in previous sections of this book (refer in particular to the section on the manager's role in planning), the entrepreneurial VTC manager will not be content to leave these matters entirely in the hands of others.

In this respect, the planning function, outlined in Figure 3.4, is fundamental to the facilities and equipment management role. It is the physical manifestation of the manager's vision for the future and the realisation of the VTCs mission. It is therefore crucial that the VTC manager seek to achieve maximum local input into this planning, regardless of whether this is formally part of the process or not. In doing so, the manager can ensure that key local considerations are taken into account. They include:

Facilities

- historical and architectural integrity and unity of the site
- continuity of planning expertise
- compatibility of the site development with the local area
- management of movement in and around the site (e.g. vehicle access, parking, pedestrian circulation)
- long term impact and flexibility of any developments

Facilities and equipment — management elements

	LAND & GROUNDS	BUILDINGS	EQUIPMENT
PLAN **(identify needs, prioritise, approve)**	. Land Purchase Feasibility Study . Landscape Strategy	. Building Master Plan . Building Concept Proposal	. Equipment Priority Plan
IMPLEMENT **(purchase, construct)**	. Land Purchase Proposal . Landscape Project Specification	. Building Specification or Tender	. Equipment Purchase Specification or Tender
MAINTAIN **(refurbish, repair, clean)**	. Grounds Maintenance Schedule	. Cyclical Maintenance Program . Cleaning Schedule . Security Strategy	. Equipment Maintenance Schedule
	Community Standard	*Industry and Community Standard*	*Industry Standard*

Figure 3.4

Equipment

- compatibility of new equipment with existing
- maintenance and servicing implications
- impact of equipment on curriculum provision

Clear views in each of the areas as to how the planning, implementation and maintenance should proceed will stand the VTC in good stead regardless of funding or decision-making responsibilities.

Matching industry and community standards

In the context of perennial funding constraints, every VTC manager is constantly faced not only with decisions about the relative priorities for facilities and equipment, but also about the standards which ought to apply in these decisions. Without clear standards the manager can be open to criticism, based on different subjective opinions about these issues and the fact that any expenditure can always be seen to be at the expense of additional student places.

For example, it is clear that the grounds of a VTC do not as a rule need to be a showpiece of horticultural splendour; on the other hand, if the budget is limited to the extent that the grounds are overgrown and inadequately maintained, this will be equally inappropriate. Similarly, it is not commonplace for equipment in VTCs to consistently match the very latest technology available in industry. But equipment does need to reflect that which will provide students with current skills.

Figure 3.4 provides a possible basis for lobbying or reaching a decision — as the case may be — on standards. It is suggested that:

- the grounds of the VTC be maintained at the level of the prevailing community standard;
- the buildings be constructed and maintained at the level consistent with the prevailing community and industry standards;
- equipment be purchased and maintained at a level consistent with the prevailing industry standard.

The issue arises as to how to achieve this within a climate of financial constraint. Consistent with previous sections of this book, (refer in particular chapter 1.2), the VTC may be in a position to rally support externally. If credibility with industry has been actively sought and won, there is a powerful ally for the VTC in this regard. This may mean:

- requesting industry to intervene on behalf of the VTC;
- obtaining supplementary support from industry (e.g. equipment hire, lease, loans or donations);
- operating programs on-site in industry using the latest equipment.

There is also capacity to harness community and political support as discussed in chapter 2.6.

The points in this section are not intended to be prescriptive but simply to raise issues which managers may need to confront.

Older style buildings — some hazards

Frequently, education and training institutions have the opportunity to operate from older style buildings. It is therefore appropriate to draw attention to some of the hazards that can arise in this context.

While many old buildings can be charming, quaint, interesting, historically or architecturally unique and apparently inexpensive, this can also disguise a multitude of problems for the uninitiated. The following is a basic checklist of issues to be considered:

- roof, spouting, guttering and drainage
- floors, foundations, floor coverings
- water supply, sewerage
- plumbing, wiring, telephone and other services
- internal and external lighting
- heating, cooling, ventilation
- conformance to fire and other safety standards/regulations
- suitability of spaces for curriculum purposes

- student amenities
- office space
- use of dangerous materials, e.g. asbestos
- painting and decoration costs
- other refurbishment costs
- ongoing maintenance costs
- security costs
- parking provision

The VTC manager will be well-advised to consider all these issues carefully before embarking on the use of older style buildings. What may at first appear to be a cost-effective alternative to other options can sometimes become an ongoing crippling expense.

3.5 Financial management and control

Financial management responsibilities

Whether or not financial management is the direct day-to-day responsibility of the VTC manager will depend on circumstances and the size of the centre. It may partly or wholly be the responsibility of other bodies such as government or other central or funding agencies.

However, regardless of where responsibility actually rests, the effective VTC manager will be adamant that the centre produces value for money in all aspects of its operations. Thus, every VTC manager needs a thorough grasp of the basic requirements of sound financial management and the ability to detect quickly where these requirements are not being met, so that corrective action can be taken swiftly. This is a key element of the VTC manager's accountability.

Financial planning within the VTC

Assuming the financial management responsibility rests solely or partly with the VTC, the establishment of financial viability in the short, medium and longer term is a fundamental requirement of centre's survival and growth.

The VTC manager needs to ensure that business plans are developed covering periods of three to five years and demonstrating the clear financial viability of the centre throughout the planning period.

Where new VTCs or new campuses are proposed, a business plan should be developed prior to establishment. The business plan should cover the initial establishment phase, usually the first three to five years of operation, and demonstrate a sound financial basis for the VTC or campus at the conclusion of the plan.

Further plans need to be developed subsequent to the establishment phase.

The elements of the plan are interconnected and include:

VTC mission and goals
- especially, but not only financial goals

Strategic plan
- those strategic objectives and performance indicators which are relevant to financial performance

Program delivery
- demand
- market opportunities and restrictions
- delivery targets

Costs
- establishment and development costs consistent with the mission and goals
- operating costs related to delivery targets
- strategies for minimising costs

Income
- self-generated funds
- government and other external agency support
- other sources
- strategies for maximising income

The plan needs to be regularly monitored and updated if required as a result of unpredicted circumstances.

The annual operating budget

Prior to the commencement of each operating year, the annual budget should be prepared in consultation with the relevant senior and middle managers, depending on the degree of financial delegation. Consistent with previous comments, considerable delegations would flow to middle

The financial planning cycle

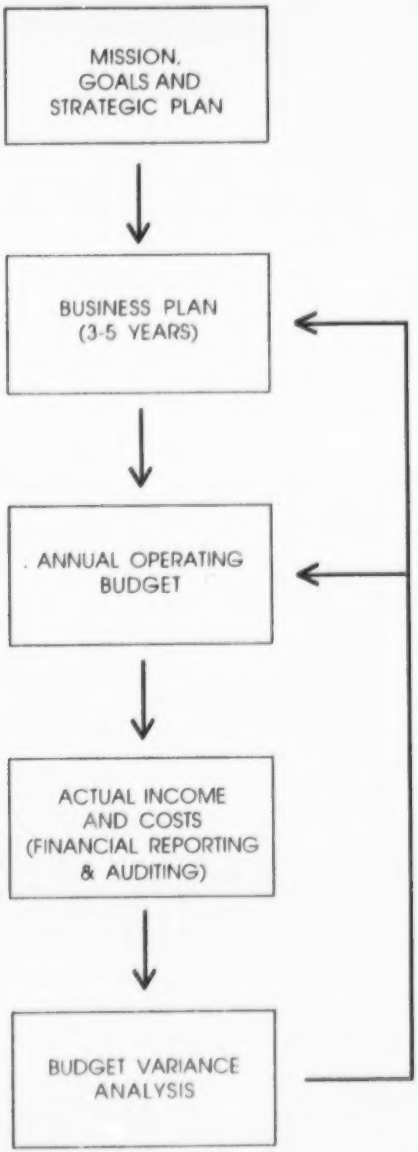
MISSION, GOALS AND STRATEGIC PLAN
BUSINESS PLAN (3-5 YEARS)
ANNUAL OPERATING BUDGET
ACTUAL INCOME AND COSTS (FINANCIAL REPORTING & AUDITING)
BUDGET VARIANCE ANALYSIS

Figure 3.5

management level. Program outputs, income and cost targets must be established and understood by the relevant managers.

Annual operating budgets are supplementary to and consistent with the VTCs business plan. The operating budget identifies anticipated income and the costs of resources required to meet the specified annual program targets. As a minimum requirement the operating budget must be balanced, that is:

operating income = operating expenditure

The operating budget must allow some flexibility in operations and provide reserve funding to cover contingencies.

Where the VTC is managing capital funds, such as for building construction or major equipment purchases, a separate budget must be established. This again must be balanced.

Income and expenditure

Income

The VTCs sources of income are identified in the business plan. As referred to above, income can generally be categorised as:

- operational/recurrent funds (grants, self-generated funds)
- capital funds (for buildings, equipment)

Maximisation of income opportunities, consistent with the mission, goals and strategic plan, is fundamental to the success of the VTC. The internal accounting processes must continually monitor funds due to the VTC and vigorously pursue all outstanding funds.

As part of an entrepreneurial approach, the VTC manager is likely to be closely involved in the development of strategies to optimise income from commercial activities. Possible funding sources include:

- programs conducted on a fee-paying basis, local and overseas

- sale of training materials and other VTC products
- consultancies, research, testing
- hire of facilities
- trading concerns: bookshops, canteen and restaurant operations

To promote the generation of income the manager may need to encourage staff to become involved. This may mean:

- the allocation of commercial targets
- revising procedures to make them more flexible
- providing appropriate training
- identification of financial or non-financial incentives

Some caution needs to be exercised that such commercial activities are consistent with the core activities of the VTC and supportive of the mission, goals and strategic plan.

Expenditure

Expenditure can also be categorised as *operating* and *capital* expenditure. Expenditure control is reliant upon a detailed knowledge and understanding of cost factors. Minimisation of costs consistent with the mission and goals is fundamental to maximising corporate outcomes.

Costs can be categorised as:

fixed costs
: overheads including core staffing and administrative, service and building costs not related to program outputs

variable costs
: salary and other costs directly related to program activity

In the long term all costs are variable costs.

The establishment of overall cost parameters is a useful mechanism for promoting the understanding and acceptance of the business plan within

the centre. As previously discussed, the ratio between teaching staff and support service staff is one such parameter. Other ratios might be:

- core:non-core staff
- salary:non-salary expenditure
- cash on hand:total budget

Basing the business plan on clear and known parameters fosters an awareness of the underlying concept and intention of the plan.

Costs can be analysed and related to student enrolments. The VTCs cost per student can be analysed into broad groupings such as:

- direct program costs
- administration
- student services
- buildings operations

As a further step, the costs of individual programs can be separately identified.

Monitoring, recording and auditing

Given that chief executives of VTCs have the overall accountability for those financial performance elements for which their centre is responsible, confidence in the monitoring, recording and auditing processes is vital.

Mechanisms for monitoring and analysing variances of actual income costs from budgeted income and costs must be in place. Assuming delegation of responsibility for individual department budgets to other senior and middle managers, the organisational structure must facilitate the clear identification of operational departments so that the allocations of staffing and cost responsibilities are explicit. Where the VTC is reliant on income generation, realistic department income targets should be established, with managers being accountable to the chief executive for achievements against these targets.

As part of the chief executive's ultimate financial accountability, financial records must be maintained which meet national accounting and audit standards and relevant government guidelines. The accounting processes need to be established in a manner that can demonstrate that VTC income is applied to its correct purpose and that costs are authorised in accordance with approved delegations.

The VTC will usually prepare an annual statement of operations covering financial and non-financial aspects. The financial statements are normally subject to audit by a professional accountant or professional accounting group which operates separately from the VTC. The role of the audit is to examine the records and financial systems to ensure that:

- appropriate records have been maintained
- appropriate accounting systems (manual or computer-based) have been established
- income and expenditure is correctly recorded
- income is used for the correct purposes
- stated delegations have been adhered to
- relevant accounting and other guidelines have been applied
- the strengths and weaknesses of the reporting systems are tested
- the financial reports present a true and fair exposition of the financial operations of the VTC.

It is in keeping with the rest of the contents of this book that the VTC manager would strive to have an unblemished record of financial management for the VTC.

3.6 Summary

As the conclusion to this book, this part has focussed on the VTC manager's role in managing the functional elements. It has been emphasised that the VTC manager who ensures that the mission, goals, strategic plan and a commitment to quality are in place, will have a basis from which sound, logical and consistent management of the functional elements will flow. This, in turn, will assist in the VTC being perceived as professional and worthy of being emulated by others.

In keeping with this and with the contents of previous parts, is the need to adopt a management style which fosters the development, and values the contribution, of other senior managers, the centre's middle managers and the staff as a whole.

A strong and committed internal fabric of chief executive, senior and middle managers and staff will provide the necessary dynamism to enable the centre to acquire a reputation for quality and innovation and so to successfully compete in the vocational and education and training sector of the future.

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Appendix 2 — Sample mission statements and goals

2.1 Nippondenso mission and operating principles

NIPPONDENSO (AUSTRALIA) PTY. LTD.

OUR MISSION

Nippondenso (Australia) Pty. Ltd. is a leading supplier of automotive systems, components and services to industry.

Our mission is to provide and to continually improve our products and services in response to our customers' needs, thus allowing us to continually grow and improve our business, provide a reasonable return on investment for our shareholders, stable employment and a satisfying work life for our people.

OUR OPERATING PRINCIPLES

Customers
We are a customer-oriented company; our focus is the customer. We must practice company-wide concern for our customers and their present and anticipated needs. We will provide superior products and services at world competitive prices, on time. A commitment to our customer is a corporate obligation.

Quality
Quality is priority — To satisfy the needs of our customer, the quality of our products and services must be the best in the industry.

People
People are important — People are our most important asset and are encouraged to participate in company operations as part of our team. We believe people respond best to recognition, trust, respect and the opportunity to develop. We want our people to identify with the company.

Continuous improvement
We will continuously improve our products, systems, procedures, quality of work life, competitiveness and profitability, always striving for excellence in everything we do.

Suppliers
We will use, and we will encourage our suppliers to use, the most modern and efficient techniques of production and quality assurance to provide products and services in a manner that is mutually beneficial.

Integrity
We will conduct our business with integrity in a professional and ethical manner that is beneficial and socially responsible. Above all else, we will foster good business and personal relations with customers, suppliers and employees.

* * *

These operating principles represent the most fundamental philosophy of our company and all company activities must be measured against the contribution they make towards reinforcing these operating principles.

2.2 Broadmeadows College of Technical and Further Education

1. Vision

For the College to be a world class leader in the business of vocational education services.

2. Mission statement

Through a teams approach, we will develop, provide and continuously improve vocational education services responsive to the requirements of all our customers.

3. Values

3.1 Accountability to customers.

3.2 Respect towards each other.

3.3 Probity and integrity in all transactions.

4. Guiding principles

4.1 The College is customer-centred in all its functions.

4.2 Staff are the College's most valuable asset and their contribution is strengthened both in course/service and cross-functional teams.

4.3 The College acts to ensure it has the competitive edge in the business of vocational education services.

4.4 Participation of disadvantaged groups is facilitated consistent with their representation in the regional community.

4.5 The College operates as a financially sound and flexible organisation.

Appendix 3.1 Broadmeadows College of TAFE — Victoria Organisational Structure

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Appendix 3.2 Drysdale Hospitality College — Tasmania Organisational Structure